



**Town Council Work Session**  
Tuesday, June 10, 2025, 3:00 PM  
Town Hall Council Chambers  
150 Ski Hill Road  
Breckenridge, Colorado

THE TOWN OF BRECKENRIDGE CONDUCTS HYBRID MEETINGS. This meeting will be held in person at Breckenridge Town Hall and will also be broadcast live over Zoom. Join the live broadcast available by computer or phone: <https://us02web.zoom.us/j/82918442465> (Telephone: 1-719-359-4580; Webinar ID: 829 1844 2465)

If you will need special assistance in order to attend any of the Town's public meetings, please notify the Town Clerk's Office at (970) 547-3127, at least 72 hours in advance of the meeting.

- I. HIGH COUNTRY CONSERVATION CENTER ANNUAL UPDATE (3:00-3:30PM)**  
HC3 ANNUAL UPDATE
- II. FINANCIAL AUDIT PRESENTATION (3:30-3:45PM)**  
FINANCIAL AUDIT PRESENTATION
- III. PLANNING COMMISSION DECISIONS (3:45-3:50PM)**  
PLANNING COMMISSION DECISIONS
- IV. LEGISLATIVE REVIEW (3:50-4:05PM)**  
DEVELOPER AGREEMENT FOR RUNWAY NEIGHBORHOOD (SECOND READING)  
AMERICAN TOWER LEASE RENEWAL AGREEMENT (FIRST READING)  
REVISED NICOTINE INTERGOVERNMENTAL AGREEMENT (RESOLUTION)
- V. MANAGERS REPORT (4:05-4:30PM)**  
PUBLIC PROJECTS UPDATE  
MOBILITY UPDATE  
SUSTAINABILITY UPDATE  
HOUSING UPDATE  
OPEN SPACE UPDATE  
COMMITTEE REPORTS  
BRECKENRIDGE EVENTS COMMITTEE  
PUBLIC SAFETY UPDATE - 2025 QUARTER 1
- VI. OTHER (4:30-5:00PM)**  
NOXIOUS WEEDS MANAGEMENT PROGRAM  
XCEL LIQUID NATURAL GAS (LNG) REQUEST FOR SITE EXTENSION (115 GATEWAY DRIVE)
- VII. PLANNING MATTERS (5:00-6:00PM)**  
RUNWAY NEIGHBORHOOD PHASE 1 HORIZONTAL INFRASTRUCTURE BUDGET



# Memo

**To:** Town Council  
**From:** Jessie Burley, Sustainability + Parking Manager  
**Date:** June 10, 2025  
**Subject:** High Country Conservation Center Annual Update

---

**Town Council Goals** (Check all that apply)

- |                          |                                       |                                     |                                     |
|--------------------------|---------------------------------------|-------------------------------------|-------------------------------------|
| <input type="checkbox"/> | More Boots & Bikes, Less Cars         | <input checked="" type="checkbox"/> | Leading Environmental Stewardship   |
| <input type="checkbox"/> | Deliver a Balanced Year-Round Economy | <input type="checkbox"/>            | Hometown Feel & Authentic Character |
| <input type="checkbox"/> | Organizational Need                   |                                     |                                     |

**Summary**

Staff from High Country Conservation Center (HC3) will present the results from their 2024 programs including Energy Smart Colorado, Resource Wise, Climate Action Collaborative, Water Conservation, and Zero Waste.

**Background**

High Country Conservation Center is a local environmental non-profit with a mission to promote practical solutions for waste reduction and resource conservation in our mountain community. For decades, HC3 has provided community programs, education, outreach, policy support, and technical expertise to the public and to local jurisdictions that are focused on impactful climate action.

**Financial Implications**

The Town supports HC3’s programs through fund 019-Sustainability with the bulk of funding a passthrough to residents and businesses in the form of energy and project rebates. These dollars are leveraged to achieve energy efficiency and GHG reductions to achieve our community climate goals as well as provide annual energy cost savings to residents and businesses. Most of the revenue for these programs comes from REMP fees which seek to mitigate carbon pollution from outdoor energy use. Monies are reinvested in community projects to reduce energy use and GHGs.

**Equity Lens**

HC3 developed a [Climate Equity Plan](#) which was adopted by Resolution of the Town Council on February 13, 2024. This plan received input from the Breckenridge Social Equity Advisory Committee after two worksessions and remains the primary guiding document for ensuring underrepresented residents have access to the benefits of climate action and programs.

**Staff Recommendation**

Staff recommends Council take this opportunity to ask HC3 about their program outcomes and upcoming initiatives for 2025/26.

**Mission:** The Town of Breckenridge protects, maintains, and enhances our sense of community, historical heritage, and alpine environment. We provide leadership and encourage community involvement.



HIGH COUNTRY  
CONSERVATION CENTER

# HC3 Program Updates

Breckenridge Town Council | June 10, 2025



# Zero Waste: 2024 Highlights

# Community Goal: Increase diversion rate to 40% by 2035

## 2024 Key Successes

- Pay as You Throw
- Latino community outreach
- Strong Future grants
- Increased marketing & outreach
- Construction waste diversion groundwork



# Pay as You Throw & Universal Recycling

- 57 businesses & HOAs in Frisco/Breck directly assisted
- Communitywide single stream recycling increased 10% from 2023 to 2024
- Unincorp. Summit County PAYT by August 31, 2025.



# Strong Future Grants

## 2024 Awardee Projects Underway

- CAFE Food Rescue - The Hub
- Arapahoe Basin - hard to recycle bins
- Summit Fire & EMS - diverted 1,600 lbs. of fire extinguishers since September
- Copper Mountain – improved recycling sorting system
- Town of Frisco – affordable housing project C&D diversion



# Resident and Student Outreach

- K12: 1,642 students engaged
- Ops Tags: 1,806 bins tagged with 40% households improving between visits
- Stump the Recycling Experts: 17 weeks, 801 residents engaged

¿Where does your trash end up?  
¿Dónde termina la basura?



# Food Scrap Program

- 3,728 participants (402 new in 2024)
- 393,793 lbs. diverted
- Spanish outreach at Grow to Share WIC Pickups



# HOA/Business Assistance

## Latino Community Outreach

- 28 HOAs/businesses engaged
- 9 Spanish-language business trainings and events

## 17 businesses served (outside of URO)

- Summit High School Green Team recycling bins
- Recycling signage for 43 Copper HOAs/businesses



# Marketing

- Leveraged \$100,000 in free search marketing through Google Grants
- Launched first Spanish recycling digital campaign - three videos outperformed all other campaigns
- Recycling web page views up 59%, 2<sup>nd</sup> most viewed page





# Zero Waste: Looking Ahead



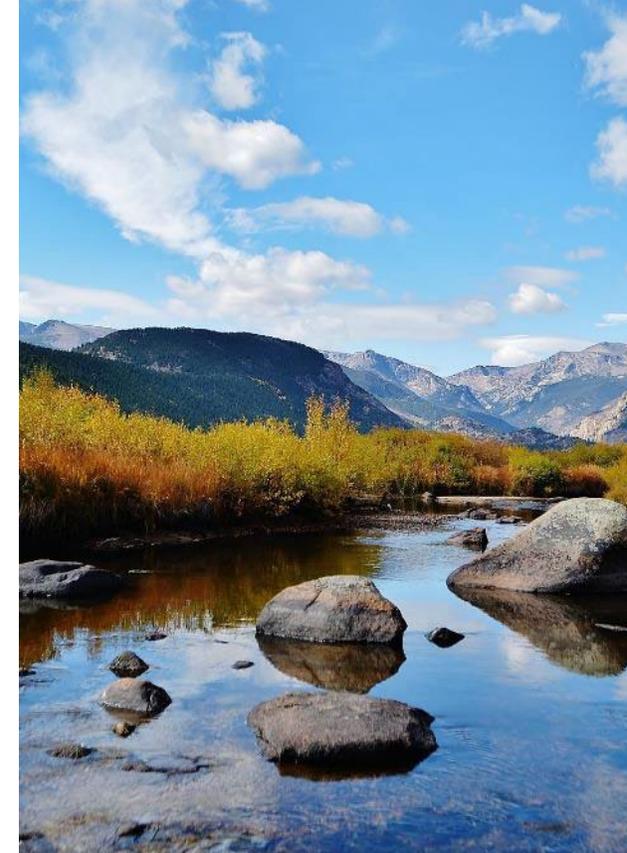
# Looking Ahead

- PAYT forums, marketing, implementation
- Bilingual position=more Latino community outreach and Spanish marketing
- Commercial composting
- C&D focus

# Construction & Demolition (C&D) Diversion

- Waste Composition Study, 2024
- New wood grinder to grind wood into compostable materials or mulch
- SCRAP hired C&D Specialist to support local contractor recycling
- Current recyclable C&D materials in Summit:
  - Wood
  - Concrete/asphalt
  - Cardboard
  - Scrap metal





# Climate & Energy: 2024 Highlights

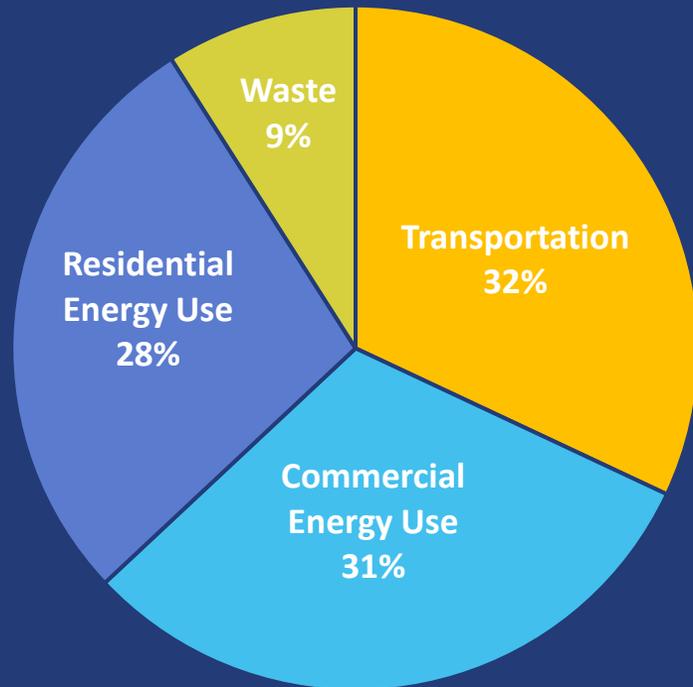
Community Goal:

Decrease greenhouse gas emissions 80% by 2050

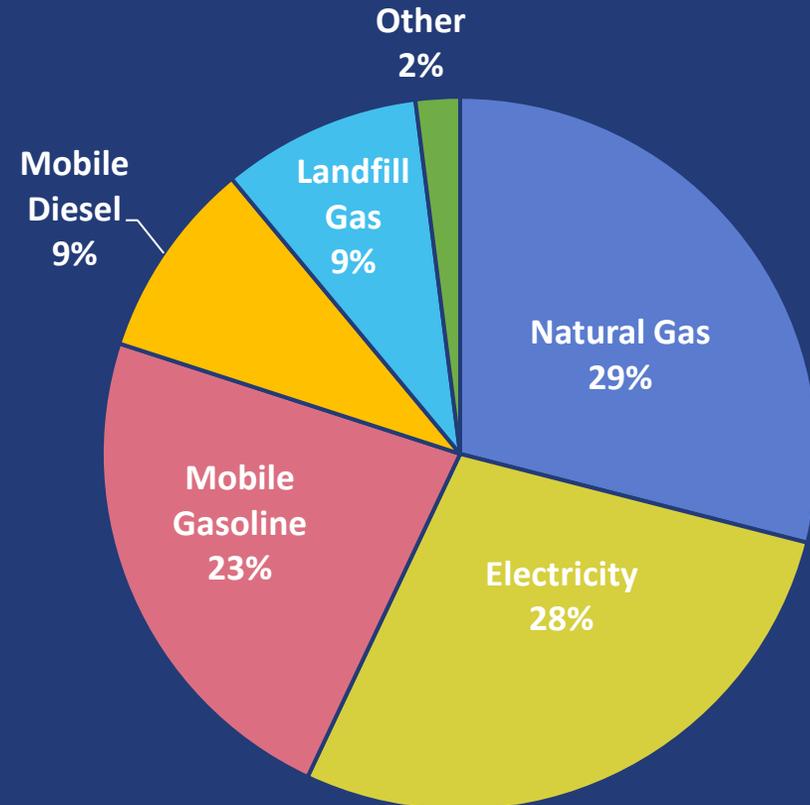


# 2023 Greenhouse Gas Emissions Update

## Emissions by Sector



## Emissions by Source





# Building Energy & Decarbonization

- Building code support
- Multi-family building research
- Electrification videos
- Electrify Breck



# Energy Smart: 2024

20 / 19

Home Energy Assessments Completed / Home Energy Retrofits Completed.

\$5,047

Average Rebate / Household

\$5,757\*

Total Annual Energy Bill Savings

\$95,890

Total Rebate Funding Provided

68%

Share of local income-qualified rebates provided

# Energy Smart: Cumulative Impacts

**286**

Home energy assessments completed.

**165**

Energy efficiency projects completed.

**\$164,904**

Rebates paid to residents.

**\$73,877**

Annual energy bill savings.

**\$1,054,934**

Local economic impact.



# Solarize Summit

93

Community participants.

671

Kilowatts of solar installed.

\$36,208

Installer rebates provided.

\$144,950

Local rebates provided.

\$98,604

Annual electricity bill savings.



# Resource Wise: Cumulative Impacts

128

Sustainability assessments completed.

85

Improvement projects completed.

\$22,850

Rebates paid to businesses.

\$67,933

Annual energy bill savings.



# Transportation

- 2 EV Ride & Drive Events
- New Spanish EV Event in Dillon Valley
- HC3 supported EV Showcase @ Mountain Dreamers Annual Celebration
- HC3 has rebated 16 home chargers in past 2 years



# Community Engagement

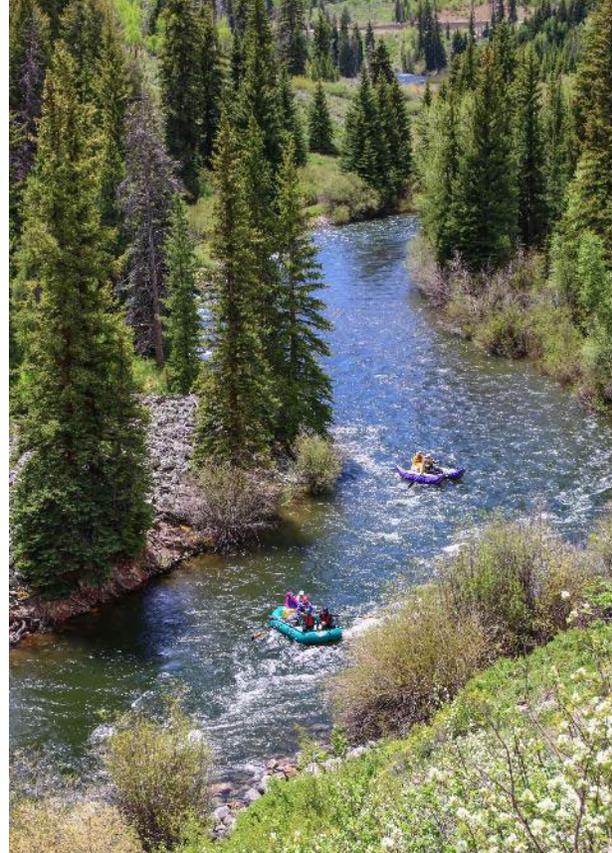
- Beatriz Soto: Climate Equity in Colorado
- Luke Runyon: Climate Change & Colorado River
- Fracking the System
- Continuous insulation workshop
- Spanish EV Ride & Drive
- Climate Fest
- ...plus more partner events





# Climate & Energy in 2025

- 200 attendees for Caroline Gleich event at Riverwalk Center
- More climate equity work:
  - EPA grant - \$132,800
  - CDOT grant - \$60,000
  - DOE funding via Energy Smart Colorado
- More EV + e-bike events
- Builder/Designer workshops
- Community workshops & events
- Electrification education
- Climate comedy night! Oct 1 @ Silverthorne Pavilion



# Water Conservation: 2024 Highlights

# Marketing & Website

- New campaign assets designed, focused on turf replacement and watering schedules
- Launched new turf replacement resources on our website including planting plans and best practices



## More Plants, Less Water

Turn your yard into a mountain oasis. Consider replacing unused grassy areas with drought-resistant plants that conserve water, support pollinators, and look beautiful all summer long.



[LEARN HOW TO TRANSFORM YOUR GRASS](#)

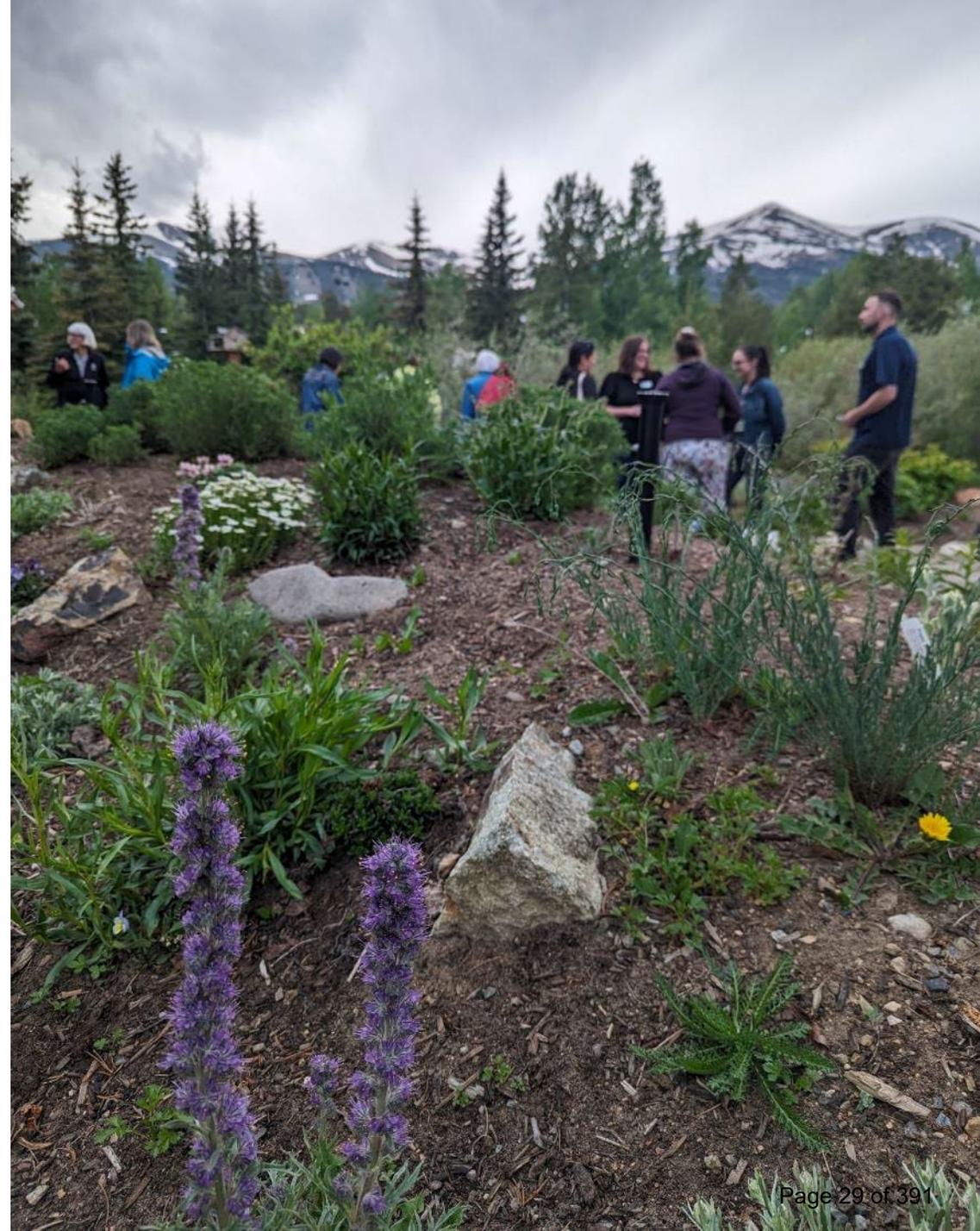
(970) 668-5703 | [highcountryconservation.org/water/transform](https://highcountryconservation.org/water/transform)



HIGH COUNTRY  
CONSERVATION CENTER

# Education

- 4 Water in the West community engagement events
- 2 professional workshops to help local landscapers
- Watering schedule outreach in partnership with towns and water providers



# Irrigation Assessments

Focus on Large Water Users:

- Wellington HOA
- Summit Middle School
- Frisco Elementary School
- Blue River Run Townhomes

Increasing demand for assessments—  
both commercial and residential



# Turf Replacement

- Pilot Projects Launched
  - 8 Participants
    - 5 single family homes
    - 1 HOA
    - 2 municipal sites
- New low water garden saved 3,500 gallons for one resident
- Generated a lot of community interest for future projects





# Water Conservation: Looking Ahead

# Looking Ahead

- \$477,588 in EPA and Bureau of Reclamation Grants received (2+ yr projects)
  - BOR - Updating Water Efficiency Plans
  - EPA – Environmental Education grant for water conservation
- Demonstration Gardens – Breck Alpine Garden and CSU Extension Garden in Frisco
- Continue irrigation assessments and turf reduction programs
- HC3 has moved to Frisco Main Street



# Questions?

**Jen Schenk**

Executive Director

[jen@highcountryconservation.org](mailto:jen@highcountryconservation.org)

**Jess Hoover**

Climate Action Director

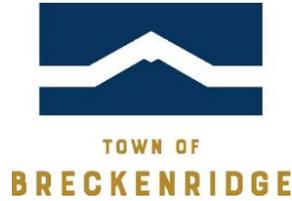
[jess@highcountryconservation.org](mailto:jess@highcountryconservation.org)

**Heather Allen**

Community Programs Director

[heather@highcountryconservation.org](mailto:heather@highcountryconservation.org)





# Memo

To: Town Council  
From: Dave Byrd, Director of Finance  
Date: June 3, 2025 (for June 10, 2025)  
Subject: Financial Audit Presentation

---

## Town Council Goals (Check all that apply)

- |                                     |                                       |                          |                                     |
|-------------------------------------|---------------------------------------|--------------------------|-------------------------------------|
| <input type="checkbox"/>            | More Boots & Bikes, Less Cars         | <input type="checkbox"/> | Leading Environmental Stewardship   |
| <input type="checkbox"/>            | Deliver a Balanced Year-Round Economy | <input type="checkbox"/> | Hometown Feel & Authentic Character |
| <input checked="" type="checkbox"/> | Organizational Need                   |                          |                                     |

## Background

The Town is required to be audited annually by an independent auditing firm. Hinkle & Company PC performed the independent audit for the Town of Breckenridge.

## Summary

The 2024 Financial Statements are being presented for Council's review. During the work session, the third-party auditing firm, Hinkle & Company will present the financial statement to Council. Below is a description of each document that includes the purpose and highlighted information.

### Introductory Section

The Introductory Section (pages 5-12) includes the Town's high level organization structure, an introductory letter from the Town Manager and Director of Finance and the GFOA Award of Financial Reporting Achievement.

### Independent Auditors' Report

The Independent Auditor's Report is included as pages 14-17 and indicates a 'clean' opinion meaning that the 2024 financial statements are presented fairly and are in conformance with generally accepted accounting principles.

### Management Discussion and Analysis

The Management Discussion and Analysis on pages 18-24 provides an overview of the 2024 financial statements, a financial analysis of the Statement of Net Position and Statement of Activities, and a financial analysis of fund performance.

### Basic Financial Statements

The Town has two types of activities – governmental and business-type. The governmental include the General, Affordable Housing, Capital, and Other Governmental Funds (Special Revenue/Internal Services). The business-type include the Utility and Golf Fund. Pages 26-27 provides a summary of these funds.

Total net position increased by \$27,987,557 which breaks down as an increase in the governmental activities of \$21,996,304 and an increase in the business-type activities of \$5,991,273. The increase in the government is the result of revenue growth and town investments. The increase in business type is the result of increased revenues for utilities and golf along with increased investments.

Pages 28-31 are the Balance Sheet and Statement of Revenue, Expenditures and Changes in Fund Balance for the Governmental Funds. Pages 32-34 are the Statements of Net Position, Statement of Revenues, Expenses and Changes in Fund Net Position and Statement of Cash Flows for the Business-Type activities.

### **Notes to Financial Statements**

The footnotes are included on pages 35-65 and outline the Town's accounting policies, cash, and investments, note receivable, assets held for resale, capital assets, long-term debt, interfund balance and transfers, retirement commitments, commitments and contingencies, risk management and other post-employment benefits.

### **Budgetary Comparison Schedule**

Pages 67-70 provide an overview of the budget vs actual performance for the General Fund and the Affordable Housing Fund.

### **Supplementary Information**

The Required Supplementary Information and Supplementary Information sections (pages 71-94) provide budget comparisons for all funds and the Combining Balance Sheet and Combining Statement of Revenues, Expenditures and Changes in Fund Balance for the non-major Governmental Funds. All the funds' expenditures are within budget.

### **Statistical Section**

Pages 96-117 provide an overview of financial trends, revenue capacity, debt capacity, demographic and economic information, and operating information for the Town.

### **Single Audit:**

Pages 120-129 provide the single audit report for 2024 which includes a letter on internal controls and a schedule of the federal awards received during 2024.

### **State Compliance**

The Town receives Highway Users Tax from the State of Colorado. The money must be used for Town roads or State highways within the Town. The Town is required to provide a finance report to the State on an annual basis and it must be included in our annual financial statements on pages 131-132.

The 2024 financial statements must be submitted to the State Auditor's Office and the Department of Local Affairs no later than July 31, 2025.

2  
0  
2  
4

# Annual Comprehensive Financial Report

For the year ended December 31, 2024

Prepared by the Town of Breckenridge Finance Department



TOWN OF  
BRECKENRIDGE

# Town of Breckenridge, Colorado

# Town of Breckenridge, Colorado

## Table of Contents December 31, 2024

### Introductory Section

List of Principal Officials.....	6
Letter of Transmittal.....	7
Certificate of Achievement.....	11
Organization Chart.....	12

### Financial Section

<b>Independent Auditor's Report.....</b>	<b>14</b>
--	-----------

<b>Management's Discussion and Analysis .....</b>	<b>18</b>
---	-----------

### Basic Financial Statements

#### *Government-wide Financial Statements*

Statement of Net Position .....	26
Statement of Activities .....	27

#### *Governmental Funds*

Balance Sheet .....	28
Reconciliation of the Balance Sheet of Governmental Funds to the Statement of Net Position .....	29
Statement of Revenues, Expenditures and Changes in Fund Balances .....	30
Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balances of Governmental Funds to the Statement of Activities.....	31

#### *Proprietary Funds*

Statement of Net Position .....	32
Statement of Revenues, Expenses and Changes in Net Position .....	33
Statement of Cash Flows.....	34

<i>Notes to Financial Statements</i> .....	35
--	----

### Required Supplementary Information

#### *Budgetary Comparison Schedules*

General Fund.....	67
Workforce Housing Fund .....	70
Accommodation Unit Compliance Fund .....	71
Schedule of Changes in the Total OPEB Liability and Related Ratios - Last Ten Years.....	72

<i>Notes to Required Supplementary Information</i> .....	74
--	----

### Supplementary Information

#### *Combining Schedules - Nonmajor Governmental Funds*

Combining Balance Sheet .....	76
Combining Statement of Revenues, Expenditures and Changes in Fund Balances.....	77

# Town of Breckenridge, Colorado

Table of Contents  
December 31, 2024  
(Continued)

## Financial Section (Continued)

### Supplementary Information (Continued)

#### *Budgetary Comparison Schedules - Nonmajor Governmental Funds*

Open Space Acquisition Fund .....	78
Marketing Fund .....	79
Conservation Trust Fund .....	80

#### *Budgetary Comparison Schedules*

Capital Projects Fund .....	81
-----------------------------	----

#### *Combining Schedules - Nonmajor Proprietary Funds*

Combining Statement of Net Position .....	82
Combining Statement of Revenues, Expenditures and Changes in Net Position .....	83
Combining Statement of Cash Flows .....	84

#### *Budgetary Comparison Schedules - Enterprise Funds*

Utility Fund .....	85
Golf Course Fund .....	86
Cemetery Fund .....	87

#### *Combining Schedules - Internal Service Funds*

Combining Statement of Net Position .....	88
Combining Statement of Revenues, Expenditures and Changes in Net Position .....	89
Combining Statement of Cash Flows .....	90

#### *Budgetary Comparison Schedules - Internal Service Funds*

Garage Services Fund .....	91
Information Technology Fund .....	92
Facility Maintenance Fund .....	93
Health Benefits Fund .....	94

## Statistical Section

Table of Contents .....	96
-------------------------	----

#### *Financial Trends*

Net Position by Component .....	97
Changes in Net Position .....	98
Fund Balances of Governmental Funds .....	100
Changes in Fund Balances, Governmental Funds .....	101

(Continued)

# Town of Breckenridge, Colorado

Table of Contents  
December 31, 2024  
(Continued)

## Statistical Section (Continued)

### Revenue Capacity

Assessed Value and Actual Value of Taxable Property .....	102
Property Tax Rates - All Direct and Overlapping Governments .....	103
Top Ten Principal Property Tax Payers .....	104
Taxable Sales and Sales Tax Collections by Category .....	105
Direct and Overlapping Sales Tax Rates.....	106
Property Tax Levies and Collections .....	107

### Debt Capacity

Ratios of Outstanding Debt by Type .....	108
Ratios of General Bonded Debt Outstanding .....	109
Computation of Direct and Overlapping General Obligation Debt .....	110
Legal Debt Margin Information .....	111
Pledged Revenue Coverage.....	112

### Demographic and Economic Information

Demographic and Economic Statistics .....	113
Principal Employers .....	114
Town Government Employees by Department.....	115

### Operating Information

Operating Indicators by Function/Program .....	116
Capital Asset Indicators by Function/Program.....	117

## Compliance Section

### Single Audit

Independent Auditor's Report on Internal Control over Financial Reporting and On Compliance, and Other Matters Based on an Audit of the Financial Statements Performed in Accordance with <i>Government Auditing Standards</i> .....	120
Independent Auditor's Report on Compliance for Each Major Federal Program; Report on Internal Control over Compliance, and Report on Schedule of Expenditures of Federal Awards Required by <i>Uniform Guidance</i> .....	122
Schedule of Expenditures of Federal Awards .....	125
Notes to the Schedule of Expenditures of Federal Awards .....	126
Schedule of Findings and Questioned Costs.....	127
Schedule of Prior Year Findings .....	129

(Continued)

# Town of Breckenridge, Colorado

Table of Contents  
December 31, 2024  
(Continued)

## State Compliance

Local Highway Finance Report.....	131
-----------------------------------	-----

## Introductory Section

TOWN OF BRECKENRIDGE, COLORADO

LIST OF PRINCIPAL OFFICIALS

TOWN COUNCIL

Kelly Owens, Mayor

Dick Carleton, Mayor Pro Tem

Marika Page

Carol Saade

Todd Rankin

Jay Beckerman

Steve Gerard

TOWN STAFF

Shannon Haynes – Town Manager

Scott Reid – Deputy Town Manager

Julia Puester – Assistant Town Manager

Keely Ambrose – Town Attorney

Mark Truckey – Community Development Director

James Phelps – Public Works Director

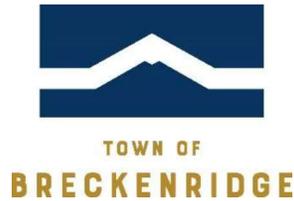
Dave Byrd – Finance Director

James Baird – Chief of Police

Kevin Zygulski – Recreation Director

Dana Laverdiere – Human Resources Director

Chris Luberto – IT Director



June 10, 2025

To the Honorable Mayor, Members of the Town Council, and the Citizens of the Town of Breckenridge:

### **Formal Transmittal of the Annual Comprehensive Financial Report**

The Annual Comprehensive Financial Report of the Town of Breckenridge for the fiscal year ended December 31, 2024, is hereby submitted. Responsibility for both the accuracy of the data, and the completeness and fairness of the presentation, including all disclosures, rests with the Town. To the best of our knowledge and belief, the enclosed data is accurate in all material respects and is reported in a manner designed to present fairly the financial position and results of operations of the various funds of the Town. Disclosures necessary to enable the reader to gain an understanding of the Town's financial activities have been included.

The Town provides a full range of services including police protection, cultural and recreational facilities, events, open space acquisition, public transportation, construction and maintenance of streets & infrastructure, affordable housing, and water service. This letter of transmittal is designed to complement the Management's Discussion and Analysis, which can be found in the Financial Section of this report.

### **Profile of the Government**

The Town of Breckenridge is a municipal corporation duly organized and existing under the laws of the State of Colorado. By vote of the electorate, the Town of Breckenridge adopted a charter pursuant to Article XX of the Constitution of the State of Colorado, creating a home-rule municipality.

The Town operates under the council-manager form of government. The Town Council, an elected body consisting of a mayor and six council members, is responsible for creating policy, including ordinances, resolutions, budget adoption and appointment of the Town Manager. The Town Manager is the Chief Administrative Officer and is responsible for carrying out the Council's policies and overseeing day-to-day operations. The Town of Breckenridge is located in Summit County, 86 miles west of Denver at 9,603 feet above sea level.

### **Information Useful in Assessing the Government's Economic Condition**

#### **Economic Condition and Outlook**

2024 financials reflect the continued strong economic performance after the Covid economic recovery which started in 2021. While the Town took a conservative approach to the 2024 Budget, the Town found itself in a significantly better position than anticipated for the entire year of 2024 due to strong tourism consistent with 2023 levels. 2024 sales tax figures portray a resilient economy across all sectors despite inflationary measures and economic uncertainty throughout the year. Investment income continued to be strong with \$8M+ recorded in 2024, an increase of \$400K from 2023.

As Town management relies on a conservative projection philosophy, revenue growth was higher for 2024 than originally budgeted. This philosophy ensures sufficient reserves, in the case of another shift in the economy. The Town, as a result, has implemented investments in Town departments and specifically in capital projects and workforce housing. These projects will continue into 2025 and beyond based upon the approved 2025 Budget.

2024 was a strong year for Real Estate Transfer Taxes, although there was a \$1.2M increase from 2023's actuals. The Town recorded \$7.4M in revenue vs a budget of \$5M. The Town expects levels to be consistent with 2024 based upon early data in 2025.

## Financial Information

Town Management is responsible for establishing and maintaining an internal control structure designed to ensure that the assets of the Town are protected from loss, theft, or misuse and to ensure that adequate accounting data is compiled to allow for the preparation of financial statements in conformity with generally accepted accounting principles. The internal control structure is designed to provide reasonable, but not absolute, assurance that these objectives are met. The concept of reasonable assurance recognizes that (1) the cost of a control should not exceed the benefits likely to be derived; and (2) the valuation of costs and benefits requires estimates and judgments by management.

## Budgetary Controls

The objective of budgetary controls is to ensure compliance with legal provisions in the annual appropriated budget approved by the Town Council. Expenditures may not legally exceed appropriations at the Fund level. In the event of change during the year, budget appropriations will be presented to the Town Council for approval.

Primary responsibility for fiscal analysis of the budget to actual cash flows and overall program fiscal standing rests with the operating departments along with support from Finance.

## Debt Administration

Required debt covenants are currently being met. Notes to the financial statements provide additional detailed information about the specific debt issues and repayment terms. In addition, the statistical section of the Annual Comprehensive Financial Report includes information relating to general bonded debt to assessed valuation and the amount of general bonded debt per capita, which can be useful indicators of the Town's debt position for the Town's management, citizens and investors.

## The Past Year

The Town of Breckenridge exemplifies exceptional core values. The Town has focused on training and awareness of the core values of Community, Adaptability, Integrity, Communication, Stewardship, and Innovation. All the departments focus on practicing these values while working both internally and externally.

In addition, the Town has continued to focus on initiatives including Sustainability, Workforce Housing, Utility Improvements, Parking, and Infrastructure, and hiring employees necessary to support all these efforts.

Sustainability projects include:

- Completion of solar panels for the tennis courts
- Launched E-Delivery pilot program, reducing emissions from delivery trucks
- 78% of municipal consumption was produced with clean power

Recreation projects include:

- Completion of the renovation of the recreation center swimming pool

Additional housing units were added to the current inventory:

- Vista Verde II: one hundred and seventy-two (172) unit rental apartments
- Larkspur: fifty-two (52) unit rental apartments
- Stables Village: sixty-one (61) for sale units planned with the first units completed in the fall of 2024
- Continued programs for deed-restricted buy-down units and deed-restriction acquisitions through Housing Helps

## Looking Forward

The Town is looking forward to new opportunities and meeting the challenges of 2025. The Town started off the year on a very strong note, and has continued our work on the Community and Council Goals, which include the following:

Goal 1: More boots and bikes, less cars

Goal 2: Leading environmental stewardship

Goal 3: Deliver a balanced year-round economy

Goal 4: Hometown feel and authentic character

Other goal-specific efforts, include the following:

- Stables Village: anticipated completion of April 2026 of all units
- Continued programs for deed-restricted buy-down units and deed-restriction acquisitions through Housing Helps
- Runway Neighborhood: A three-to-five-year, multi-use development, providing a minimum of eighty-one (81) for sale homes for the workforce of Summit County
- Water meter replacement for the entire Town
- Continued investment with hybrid buses
- Renovation of the skate park
- Continued investment in dark sky and fiber initiatives

### Housing Crisis

Workforce Housing is an issue in many communities throughout Colorado and is especially critical in resort communities.

There continues to be a shortage of workforce housing in Summit County. The Town is projecting 1,758 deed restricted units by the end of 2025, growing to 2,158 units by year end 2029. Despite increases to wages, we estimate that Countywide the affordable housing available to local workforce is approximately 2,000 units short of the housing needed to meet the demand. The goal of the Breckenridge Housing Program is to house approximately 50% of the Breckenridge workforce in the Upper Blue Basin. In February of 2022, the Town Council committed to a 5 Year Blueprint to add almost 1,000 additional units over the next 5 years.

### Independent Audit

State statutes and the Town Charter require an annual audit by independent certified public accountants. The Town has engaged Hinkle & Company to complete the 2024 Single Audit and the Annual Comprehensive Financial Report. This independent audit falls within the Town Charter and the State of Colorado requirements. In addition to meeting the requirements set forth in state statutes, the audit was also designed to meet the requirements of GASB Statement No. 34, Basic Financial Statements and Management's Discussion and Analysis for State and Local Governments.

The goal of the independent audit was to provide reasonable assurance that the financial statements of the Town of Breckenridge for the fiscal year ended December 31, 2024, are free of material misstatement. The independent audit involved examining on a test basis, evidence supporting the amounts and disclosures in the financial statements; assessing the accounting principles used and significant estimates made by management; and evaluating the overall financial statement presentation. The independent auditor concluded based upon the audit, that there was a reasonable basis for rendering an unmodified opinion that the Town of Breckenridge's financial statements for the fiscal year ended December 31, 2024, are fairly presented in conformity with Generally Accepted Accounting Principles (GAAP).

The Independent Auditor's Report is presented as the first component of the financial section of this report. The report covers the financial statements of the governmental activities, business-type activities, and each major fund, collectively comprising the Town's basic financial statements.

### Awards and Acknowledgements

Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the Town of Breckenridge for its' Annual Comprehensive Financial Report for the fiscal year ended December 31, 2023. This was the 13<sup>th</sup> consecutive year that the government has achieved this prestigious award. To be awarded a Certificate of Achievement, a government must publish an easily readable and efficiently organized Annual Comprehensive Financial Report. This report must satisfy both generally accepted accounting principles and applicable legal requirements.

A Certificate of Achievement is valid for a period of one year only. We believe that our current annual comprehensive financial report continues to meet the Certificate of Achievement Program's requirements, and we are submitting it to GFOA to determine its eligibility for another certificate.

The preparation and completion of this financial report could not have been accomplished without the efforts of the finance staff and other Town departments. A special thanks is extended to all members of the independent certified public accounting firm for their able assistance and for the professional manner in which

they have accomplished this assignment. I also would like to thank the Mayor and Town Council for their interest and support in planning and conducting the financial operations of the Town in a fiscally responsible and progressive manner.

Respectfully submitted,

*Shannon B. Haynes*

Shannon Haynes  
Town Manager

*Dave Byrd*

Dave Byrd, CPA  
Director of Finance



**The Government Finance Officers Association of  
the United States and Canada**

*presents this*

**AWARD OF FINANCIAL REPORTING ACHIEVEMENT**

*to*

**Finance Department**  
Town of Breckenridge, Colorado

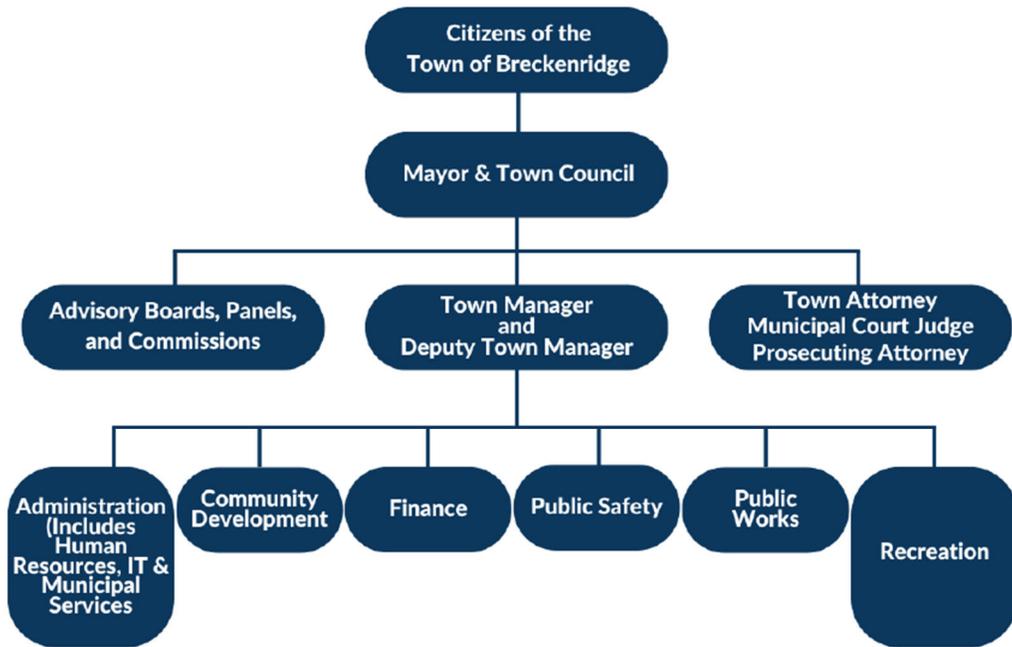


*The Award of Financial Reporting Achievement is presented by the Government Finance Officers Association to the department or individual designated as instrumental in the government unit achieving a Certificate of Achievement for Excellence in Financial Reporting. A Certificate of Achievement is presented to those government units whose annual financial reports are judged to adhere to program standards and represents the highest award in government financial reporting.*

Executive Director

*Christopher P. Morrill*

Date: 2/24/2025



## Financial Section



**HINKLE &  
COMPANY**  
Strategic <sup>PC</sup>  
Business Advisors

## Independent Auditor's Report

Honorable Mayor and Members of the Town Council  
Town of Breckenridge, Colorado  
Breckenridge, Colorado

### Report on the Audit of the Financial Statements

#### **Opinions**

We have audited the financial statements of the governmental activities, the business-type activities, the discretely presented component unit, and each major fund of the Town of Breckenridge, Colorado (the Town), as of and for the year ended December 31, 2024, and the related notes to the financial statements, which collectively comprise the Town's basic financial statements as listed in the table of contents.

In our opinion, the accompanying financial statements present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the discretely presented component unit, and each major fund of the Town, as of December 31, 2024, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

#### **Basis for Opinions**

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Town and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

#### **Responsibilities of Management for the Financial Statements**

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

#### Office Locations:

Colorado Springs, CO  
Denver, CO  
Frisco, CO  
Tulsa, OK

#### Denver Office:

750 W. Hampden Avenue,  
Suite 400  
Englewood,  
Colorado 80110  
TEL: 303.796.1000  
FAX: 303.796.1001  
[www.HinkleCPAs.com](http://www.HinkleCPAs.com)

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Town's ability to continue as a going concern for one year after the date that the financial statements are issued including any currently known information that may rise substantial doubt shortly thereafter.

***Auditor's Responsibilities for the Audit of the Financial Statements***

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Town's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Town's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.



***Required Supplementary Information***

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

***Supplementary Information***

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Town's basic financial statements. The supplementary information listed in the table of contents is presented for purposes of additional analysis and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the supplementary information listed in the table of contents is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

***Other Information***

Management is responsible for the other information included in the Supplementary Information and the local highway finance report, as listed in the table of contents. The other information comprises the Supplementary Information and the local highway finance report but does not include the financial statements and our auditor's report thereon. Our opinions on the financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon. In connection with our audit of the financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.



**Other Reporting Required by Government Auditing Standards**

In accordance with Government Auditing Standards, we have also issued our report dated June 10, 2025, on our consideration of the Town's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Town's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with Government Auditing Standards in considering the Town's internal control over financial reporting and compliance.

*Hick & Company PC*

Englewood, Colorado  
June 10, 2025





This section of the Town of Breckenridge's financial statements provides a narrative overview and analysis of the financial activities of the Town for the fiscal year ended December 31, 2024. We encourage readers to consider the information presented here in conjunction with additional information that we have furnished in our letter of transmittal at the front of this report and the Town's financial statements which follow within this section, as well as the accompanying statistical information, and state compliance sections.

**I. FINANCIAL HIGHLIGHTS**

- The Town of Breckenridge remains in a financially sound condition. The Town's increase in net position and continued investments in infrastructure demonstrate our continued positive overall financial health.
- The assets and deferred outflows of resources of the Town of Breckenridge exceeded its liabilities and deferred inflows of resources at the close of fiscal year 2024 by \$445,479,987 (net position). Of this amount, \$146,743,970 (unrestricted net position) may be used to meet the Town's ongoing obligations or unforeseen expenses.
- General fund 2024 revenues increased by \$10.1 million or 13.6% as compared to 2023. Governmental funds tax revenues increased by 16.2% compared to 2023. This increase is primarily due to Real Estate Transfer Tax, General Property Tax and Sales Tax.
- As of the close of fiscal year 2024, the Town of Breckenridge's governmental funds reported a combined ending fund balance of \$157,662,014, a decrease of \$3.4 million compared to fiscal year 2023. This reduction is a result of \$2.2 million for Affordable Housing public improvement fees to the Utility Fund and miscellaneous investments in the Capital Fund. \$31,978,709 of the total is unassigned and equal to 27.1% of governmental expenditures.
- The Town of Breckenridge did not incur any new debt in 2024 for our Governmental or Proprietary Funds.

**II. OVERVIEW OF THE FINANCIAL STATEMENTS**

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

**1. Government-wide Financial Statements**

The government-wide financial statements are intended to provide readers with a broad overview of the Town's financial condition. They are presented using accounting methods very

similar to a private-sector business, or the economic resources measurement focus, and full accrual accounting.

- *The Statement of Net Position* presents information on all of the Town's assets, liabilities, and deferred inflows of resources, with the difference reported as *Net Position*. Over time, increases or decreases in net position can serve as an indicator of the Town's financial condition.
- *The Statement of Activities* presents information showing how the Town's net position changed during the given fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Capital expenditure is not included in this statement; however capital grant revenues are reported.

## 2. Fund Financial Statements

A *fund* is a grouping that is used to maintain control over resources that have been segregated for specific activities or objectives. Some funds are required to be established by State law and bond covenants; however, Town Council establishes other funds to help control and manage money for particular purposes. All of the Town's funds can be divided into two categories: Governmental Funds and Proprietary Funds.

### Governmental Funds

The governmental funds presentation is different from the governmental activities section of the government-wide financial statements even though these two statements account for essentially the same activities. Governmental funds presented have a budgetary or *current financial resources* measurement focus and use the modified accrual basis of accounting. That is, the governmental funds presentation focuses on the Town's near-term financial position and changes thereto.

### Proprietary Funds

Proprietary funds are unlike governmental funds in that they report the business-type activities of the Town.

- *Enterprise funds* account for the operation of governmental programs that are intended to be supported primarily by user fees. These funds are presented as business-type activities on the government-wide financial statements but are presented in greater detail in the fund financial statements. In both cases, enterprise funds are presented using the *economic resources* measurement focus and full accrual accounting.
- *Internal service funds* account for goods and services provided by specific programs on a fee basis to the Town's other departments and programs.

## 3. Notes to the Basic Financial Statements

The notes to the basic financial statements provide additional information that is essential to a thorough understanding of the data provided in the government-wide and the fund financial statements.



**III. GOVERNMENT-WIDE FINANCIAL STATEMENT ANALYSIS**

Statement of Net Position

As noted earlier, the Statement of Net Position can serve as an indicator of the overall financial condition of the Town. As of December 31, 2024, the Town had total assets of \$598,743,526. As of December 31, 2024, the Town’s net position was \$445,479,987.

	Condensed Statement of Net Position						Discretely Presented	
	Governmental Activities		Business-type Activities		Total		Component-Unit Activities	
	2024	2023	2024	2023	2024	2023	2024	2023
Current Assets	\$ 166,509,661	\$ 172,112,522	\$ 30,997,331	\$ 23,255,628	\$197,506,992	\$195,368,150	\$ 210,474	\$ 227,894
Capital Assets, net	269,584,370	249,807,222	102,319,499	105,031,227	371,903,869	354,838,449	5,872,145	6,248,334
Other Noncurrent Assets	25,865,003	22,578,070	3,467,662	5,761,694	29,332,665	28,339,764	239,303	220,271
<b>Total Assets</b>	<b>461,959,034</b>	<b>444,497,814</b>	<b>136,784,492</b>	<b>134,048,549</b>	<b>598,743,526</b>	<b>578,546,363</b>	<b>6,321,922</b>	<b>6,696,499</b>
Deferred Outflows of Resources	761,643	477,025	-	-	761,643	477,025	-	-
Current Liabilities	16,205,902	16,839,160	3,968,276	4,692,496	20,174,178	21,531,656	168,585	154,546
Other Noncurrent Liabilities	76,009,873	79,795,988	52,267,667	54,798,777	128,277,540	134,594,765	5,895,424	5,956,844
<b>Total Liabilities</b>	<b>92,215,775</b>	<b>96,635,148</b>	<b>56,235,943</b>	<b>59,491,273</b>	<b>148,451,718</b>	<b>156,126,421</b>	<b>6,064,009</b>	<b>6,111,390</b>
Deferred Inflows of Resources	5,573,464	5,404,557	-	-	5,573,464	5,404,557	-	-
Net Investments in Capital Assets	194,315,903	172,723,725	50,862,707	53,345,749	245,178,610	226,069,474	(42,345)	268,016
Restricted	53,557,407	50,018,305	-	-	53,557,407	50,018,305	-	-
Unrestricted	117,058,128	120,193,104	29,685,842	21,211,527	146,743,970	141,404,631	300,258	317,093
<b>Total Net Position</b>	<b>\$ 364,931,438</b>	<b>\$ 342,935,134</b>	<b>\$ 80,548,549</b>	<b>\$ 74,557,276</b>	<b>\$ 445,479,987</b>	<b>\$ 417,492,410</b>	<b>\$ 257,913</b>	<b>\$ 585,109</b>

Capital Assets make up the largest portion of the Town’s Net Position. Capital assets include items such as infrastructure, buildings, equipment, machinery, land, and other tangible items. Infrastructure includes streets, traffic signals, buildings, and sidewalks. The Town uses capital assets to provide services to the community and thus they are not available for immediate spending. Although the Town of Breckenridge's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities. Unrestricted net position may be used to meet the Town's ongoing obligations to citizens and creditors. During 2024, the Town added the following to its capital assets:

- The Town of Breckenridge's investment in capital assets for its governmental and business type activities as of December 31, 2024, amounts to \$245,178,610 net of related debt, up from \$226,069,474 in the preceding year. This investment in capital assets includes land, buildings, vehicles, equipment, roads, bridges, and utility system infrastructure.
- The total increase in the Town of Breckenridge's investment in capital assets (net of related debt) for the fiscal year ending 2024 was \$19,109,136. This is primarily due to infrastructure, vehicles, equipment and land.
- The total increase in the Town of Breckenridge's net position for the fiscal year ending 2024 was \$27,987,577. This is primarily due to the net investment to capital assets.

Additional information on the Town's capital assets can be found in the Capital Assets Note 5 in the Notes to the Financial Statements section.

At the end of the current fiscal year, the Town of Breckenridge had no bonded debt outstanding in the form of General Obligation Bonds.

Additional information on the Town's long-term debt can be found in the Long-Term Debt Note 6 in the Notes to the Financial Statements section.

The \$169,470,481 in Current Assets of the total Primary Government includes \$154,375,744 in equity in pooled cash and investments. This reflects the strong cash balances that the Town of Breckenridge has maintained during 2024.

At the end of 2024, the Town of Breckenridge can report positive balances in all three categories of net position, both for the government as a whole, as well as for its separate Governmental, Business-type, and Component-unit activities. The net position, unrestricted for the Governmental activities, equals 99.34% of total expenses in the statement of activities for governmental activities for 2024 and 104.71% of the total government-wide expenses, including Business-Type activities.



Statement of Activities

This statement presents information showing how the Town’s net position changed during the given fiscal year. The following reflects the Town’s change in net position:

	Condensed Statement of Activities						Discretely Presented	
	Governmental Activities		Business-type Activities		Total		Component-Unit Activities	
	2024	2023	2024	2023	2024	2023	2024	2023
<b>Program Revenues</b>								
Charges for Services	\$ 28,454,837	\$ 19,737,995	\$ 11,974,408	\$10,049,294	\$40,429,245	\$29,787,289	\$ 506,759	\$ 493,756
Operating Grants and Contributions	1,494,251	1,302,247	-	-	1,494,251	1,302,247	-	-
Capital Grants and Contributions	535,873	5,209,918	827,648	3,944,336	1,363,521	9,154,254	-	-
<b>Total Program Revenues</b>	<b>30,484,961</b>	<b>26,250,160</b>	<b>12,802,056</b>	<b>13,993,630</b>	<b>43,287,017</b>	<b>40,243,790</b>	<b>506,759</b>	<b>493,756</b>
<b>General Revenues</b>								
Tax Revenues	79,147,047	68,904,352	1,927,424	921,919	81,074,471	69,826,271	-	-
Unrestricted Grants and Contributions	-	-	-	-	-	-	-	-
Unrestricted Investment Earnings	6,407,062	6,038,351	2,313,478	2,203,024	8,720,540	8,241,375	5,755	3,850
Gain on Sale of Assets	199,754	(7,274,020)	12,224	(3,311,206)	211,978	(10,585,226)	-	-
Other General Revenues	902,826	2,308,390	-	-	902,826	2,308,390	2,242	3,396
<b>Total General Revenues</b>	<b>86,656,689</b>	<b>69,977,073</b>	<b>4,253,126</b>	<b>(186,263)</b>	<b>90,909,815</b>	<b>69,790,810</b>	<b>7,997</b>	<b>7,246</b>
<b>Total Revenues</b>	<b>117,141,650</b>	<b>96,227,233</b>	<b>17,055,182</b>	<b>13,807,367</b>	<b>134,196,832</b>	<b>110,034,600</b>	<b>514,756</b>	<b>501,002</b>
<b>Expenses</b>								
General Government	17,082,115	26,678,922	-	-	17,082,115	26,678,922	-	-
Public Safety	9,953,576	9,525,481	-	-	9,953,576	9,525,481	-	-
Community Development	27,801,165	28,773,191	-	-	27,801,165	28,773,191	841,952	845,552
Public Works	21,679,908	18,893,915	-	-	21,679,908	18,893,915	-	-
Culture and Recreation	11,963,022	11,203,792	-	-	11,963,022	11,203,792	-	-
Open Space Acquisition	1,999,323	1,595,071	-	-	1,999,323	1,595,071	-	-
Grants to Other Agencies	2,224,261	2,341,345	-	-	2,224,261	2,341,345	-	-
Debt Issuance Costs	-	-	-	-	-	-	-	-
Interest Expense not Allocated	2,441,976	2,514,767	-	-	2,441,976	2,514,767	-	-
Water Operations	-	-	7,992,133	8,465,819	7,992,133	8,465,819	-	-
Golf Operations	-	-	3,058,678	3,110,469	3,058,678	3,110,469	-	-
Cemetery Operations	-	-	13,098	80	13,098	80	-	-
<b>Total Expenses</b>	<b>95,145,346</b>	<b>101,526,484</b>	<b>11,063,909</b>	<b>11,576,368</b>	<b>106,209,255</b>	<b>113,102,852</b>	<b>841,952</b>	<b>845,552</b>
<b>Excess Before Transfers</b>	<b>21,996,304</b>	<b>(5,299,251)</b>	<b>5,991,273</b>	<b>2,230,999</b>	<b>27,987,577</b>	<b>(3,068,252)</b>	<b>(327,196)</b>	<b>(344,550)</b>
Capital Contributions & Transfers	-	-	-	-	-	-	-	-
<b>Change in Net position</b>	<b>21,996,304</b>	<b>(5,299,251)</b>	<b>5,991,273</b>	<b>2,230,999</b>	<b>27,987,577</b>	<b>(3,068,252)</b>	<b>(327,196)</b>	<b>(344,550)</b>
<b>Net Position - Beginning</b>	<b>342,935,135</b>	<b>348,234,386</b>	<b>74,557,276</b>	<b>72,326,277</b>	<b>417,492,411</b>	<b>420,560,663</b>	<b>585,109</b>	<b>929,659</b>
<b>Net Position - Ending</b>	<b>\$ 364,931,439</b>	<b>\$ 342,935,135</b>	<b>\$ 80,548,549</b>	<b>\$74,557,276</b>	<b>\$ 445,479,988</b>	<b>\$ 417,492,411</b>	<b>\$ 257,913</b>	<b>\$ 585,109</b>

**IV. FUND FINANCIAL STATEMENT ANALYSIS**

As noted earlier, the Town uses fund accounting to segregate resources for the purpose of carrying out a specific activity or attaining certain objectives in accordance with regulations, restrictions or other limitations on the use of the funds.

Governmental Fund Balances

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

As the Town completed the year, its governmental funds reported a combined fund balance of \$157,662,014. Of that fund balance, \$31,978,709 constitutes unassigned fund balance which is available for spending at the government's discretion. The remainder of the fund balance is categorized to indicate that it is not available for new spending, the largest of which is restricted for Capital Projects totaling \$60,698,905.

The General Fund is the chief operating fund of the Town of Breckenridge. At the end of 2024, the General Fund balance was \$95,676,613 and 33.4% of the fund balance was unassigned. The General Fund balance decreased in 2024 by \$10,296,899 or approximately 10.76%. This balance allows the Town to be in a strong financial position for future projects and investments.

The Capital Projects Fund has a total fund balance of \$15,512,261. The increase in fund balance during the current year was \$3,370,544. This increase is primarily due to project delays. Balances remain in the Capital Projects Fund to provide spending for previously appropriated projects. The major revenue source for the Capital Projects Fund is a transfer from the Excise Tax Fund, which is rolled into the General Fund for financial reporting purposes.

The Workforce Housing Fund balance increased by \$5,309,170. Fund balance has increased as a result of project delays. The Breckenridge Housing Authority is a blended component unit of this fund. The Town uses the Summit Combined Housing Authority to assist with resales, lotteries, and monitoring of deed compliance.

**Special Revenue Funds** – These funds have a total combined fund balance of \$15,525,838. The main ongoing revenue sources for the special revenue funds are taxes (sales and accommodations). These tax revenues amounted to \$10,876,053 in 2024.

**Proprietary Funds** - The Town of Breckenridge's proprietary funds provide the same type of information found in the government wide financial statements, but in more detail. Unrestricted net position of the Utility, Golf Course, and Cemetery funds at the end of the year amounted to \$29,685,842.

The Utility Fund net position increased by \$4,170,323. Fund balance has increased as a result of a rate structure that allows for planned increases in Net Position designed to pay for upcoming infrastructure projects.

The Golf Fund net position increased by \$1,784,278. The performance of the Golf Course continued to be strong.

### General Fund Budgetary Highlights

Over the course of the year, the Town Council revised the Town budget. These budget amendments fell into the following categories:

- Supplemental appropriations approved shortly after the beginning of the year to reflect projects and purchases not completed in the previous year.

- Supplemental appropriations approved after the beginning of the year to reflect new projects or revenues not previously considered.

Differences in the General Fund between the original budget and the final amended budget were related to both revenue and expenditures. The 2024 expenditure budget was increased by approximately \$1,498,211. This was primarily due to Engineering and Construction, and Child Care.

#### Economic Factors and Next Year's Budget

Tax (including property, sales, accommodation and real estate transfer) revenues are the main source of governmental revenues and are an important source for providing funds for the general operations and maintenance of the Town of Breckenridge.

- The national, state and local economies are currently experiencing high inflation which is impacting the growth.
- The Town of Breckenridge is well positioned to weather this uncertainty due to healthy fund balances and conservative budget practices.
- For 2025, revenue budgeted for the General Fund (excluding transfers in and other financing sources) totals \$80,341,970, as compared to the (revised) 2024 budget of \$75,247,461.
- Tax revenues are budgeted in line with actual collections of sales tax and accommodation tax; while Real Estate Transfer Tax revenue for 2025 is budgeted at \$6,000,000, a 19.14% decrease from 2024 actual collections of \$7,420,538.
- Budgeted expenditures for 2025 were based on projections of 2024 annual budget, except for the Capital Fund. The budgeted expenditures for 2025 are \$135,368,285, excluding transfers.

The Town of Breckenridge will continue to closely monitor its financial position throughout 2025. Continued fiscal discipline and scrutiny of initiatives will ensure that future annual operational expenditures remain in balance with future revenues in light of overall local and national economic conditions.

#### **IV. REQUESTS FOR INFORMATION**

This financial report is designed to provide a general overview of the Town's finances. Questions concerning the information provided in this report or other financial information should be addressed to the Finance Department, Town of Breckenridge, 150 Ski Hill Road, Breckenridge, CO 80424, via telephone at (970) 453-3382, or via e-mail at [websitefinance@townofbreckenridge.com](mailto:websitefinance@townofbreckenridge.com).

## **Basic Financial Statements**

**Town of Breckenridge, Colorado**  
**Statement of Net Position**  
December 31, 2024

	Governmental Activities	Business-Type Activities	Totals	Component Unit
<b>Assets</b>				
Cash and Investments	\$ 154,375,744	\$ 30,383,273	\$ 184,759,017	\$ 210,474
Restricted Cash and Investments	2,960,820	3,467,662	6,428,482	239,303
Receivables				
Accounts	735,826	614,058	1,349,884	-
Taxes	9,665,513	-	9,665,513	-
Assets Held for Resale	1,732,578	-	1,732,578	-
Notes Receivable	22,904,183	-	22,904,183	-
Capital Assets				
Not Being Depreciated	80,890,771	4,190,127	85,080,898	-
Being Depreciated, <i>Net of Accumulated Depreciation</i>	188,693,599	98,129,372	286,822,971	5,853,079
Other Assets	-	-	-	19,066
<b>Total Assets</b>	<b>461,959,034</b>	<b>136,784,492</b>	<b>598,743,526</b>	<b>6,321,922</b>
<b>Deferred Outflows of Resources</b>				
OPEB, <i>Net of Accumulated Amortization</i>	761,643	-	761,643	-
<b>Total Deferred Outflows of Resources</b>	<b>761,643</b>	<b>-</b>	<b>761,643</b>	<b>-</b>
<b>Liabilities</b>				
Accounts Payable	2,934,326	281,782	3,216,108	46,394
Retainage Payable	95,117	-	95,117	-
Accrued Interest Payable	174,416	429,234	603,650	75,330
Accrued Liabilities	287,057	-	287,057	-
Accrued Salaries	999,545	479,231	1,478,776	-
Funds Held for Others	138,802	-	138,802	46,861
Unearned Revenues	6,366,885	-	6,366,885	-
Noncurrent Liabilities				
Total OPEB Liability	1,904,513	-	1,904,513	-
Due Within One Year	3,305,241	2,778,029	6,083,270	-
Due in More Than One Year	76,009,873	52,267,667	128,277,540	5,895,424
<b>Total Liabilities</b>	<b>92,215,775</b>	<b>56,235,943</b>	<b>148,451,718</b>	<b>6,064,009</b>
<b>Deferred Inflows of Resources</b>				
Property Taxes	5,063,891	-	5,063,891	-
OPEB, <i>Net of Accumulated Amortizations</i>	509,573	-	509,573	-
<b>Total Deferred Inflows of Resources</b>	<b>5,573,464</b>	<b>-</b>	<b>5,573,464</b>	<b>-</b>
<b>Net Position</b>				
Net Investment in Capital Assets	194,315,903	50,862,707	245,178,610	(42,345)
Restricted For				
Emergencies	3,327,000	-	3,327,000	-
Community Development	30,947,034	-	30,947,034	-
Culture and Recreation	19,283,373	-	19,283,373	-
Unrestricted	117,058,128	29,685,842	146,743,970	300,258
<b>Total Net Position</b>	<b>\$ 364,931,438</b>	<b>\$ 80,548,549</b>	<b>\$ 445,479,987</b>	<b>\$ 257,913</b>

See Notes to the Financial Statements.

**Town of Breckenridge, Colorado**  
**Statement of Activities**  
**For the Year Ended December 31, 2024**

Functions/Programs	Expenses	Program Revenues			Net (Expense) Revenue and Change in Net Position			Component Unit
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-Type Activities	Totals	
<b>Primary Government</b>								
<i>Governmental Activities</i>								
General Government	\$ 17,082,115	\$ 16,084,005	\$ 734,215	\$ -	\$ (263,895)	\$ -	\$ (263,895)	\$ -
Public Safety	9,953,576	2,980,878	132,148	-	(6,840,550)	-	(6,840,550)	-
Public Works	21,679,908	833,034	348,406	-	(20,498,468)	-	(20,498,468)	-
Community Development	27,801,165	1,543,730	277,482	475,303	(25,504,650)	-	(25,504,650)	-
Culture and Recreation	11,963,022	6,757,559	2,000	60,570	(5,142,893)	-	(5,142,893)	-
Open Space	1,999,323	255,631	-	-	(1,743,692)	-	(1,743,692)	-
Grants to Other Agencies	2,224,261	-	-	-	(2,224,261)	-	(2,224,261)	-
Interest Expense not Allocated	2,441,976	-	-	-	(2,441,976)	-	(2,441,976)	-
<b>Total Government Activities</b>	<b>95,145,346</b>	<b>28,454,837</b>	<b>1,494,251</b>	<b>535,873</b>	<b>(64,660,385)</b>	<b>-</b>	<b>(64,660,385)</b>	<b>-</b>
<i>Business-Type Activities</i>								
Utility Fund	7,992,133	7,423,584	-	806,301	-	237,752	237,752	-
Golf Course	3,058,678	4,510,749	-	21,347	-	1,473,418	1,473,418	-
Cemetery Fund	13,098	40,075	-	-	-	26,977	26,977	-
<b>Total Business-Type Activities</b>	<b>11,063,909</b>	<b>11,974,408</b>	<b>-</b>	<b>827,648</b>	<b>-</b>	<b>1,738,147</b>	<b>1,738,147</b>	<b>-</b>
<b>Total Primary Government</b>	<b>\$ 106,209,255</b>	<b>\$ 40,429,245</b>	<b>\$ 1,494,251</b>	<b>\$ 1,363,521</b>	<b>(64,660,385)</b>	<b>1,738,147</b>	<b>(62,922,238)</b>	<b>-</b>
Component Unit Pinewood 2, LLLP	\$ 841,952	\$ 506,759	\$ -	\$ -	-	-	-	(335,193)
<b>General Revenues</b>								
Property Taxes					5,053,730	-	5,053,730	-
Specific Ownership Taxes					198,886	-	198,886	-
Sales and Use Taxes								
Marketing					1,359,202	-	1,359,202	-
Open Space					5,293,984	-	5,293,984	-
Other					45,560,671	-	45,560,671	-
Accommodation Taxes								
Marketing					4,222,867	-	4,222,867	-
Other					6,119,752	-	6,119,752	-
Marijuana Taxes					446,174	-	446,174	-
Franchise Fees					1,086,425	-	1,086,425	-
Real Estate Transfer Taxes					7,420,538	-	7,420,538	-
Lift Ticket Taxes					4,324,466	-	4,324,466	-
Investment Earnings					6,407,062	2,313,478	8,720,540	5,755
Proceeds from Sale of Assets					199,754	-	199,754	-
Other Revenues					902,826	-	902,826	2,242
<b>Transfers</b>					<b>(1,939,648)</b>	<b>1,939,648</b>	<b>-</b>	<b>-</b>
<b>Total General Revenues</b>					<b>86,656,689</b>	<b>4,253,126</b>	<b>90,909,815</b>	<b>7,997</b>
<b>Change in Net Position</b>					<b>21,996,304</b>	<b>5,991,273</b>	<b>27,987,577</b>	<b>(327,196)</b>
<b>Net Position, Beginning of Year</b>					<b>342,935,134</b>	<b>74,557,276</b>	<b>417,492,410</b>	<b>585,109</b>
<b>Net Position, End of Year</b>					<b>\$ 364,931,438</b>	<b>\$ 80,548,549</b>	<b>\$ 445,479,987</b>	<b>\$ 257,913</b>

See Notes to the Financial Statements.

**Town of Breckenridge, Colorado**  
**Balance Sheet**  
**Governmental Funds**  
**December 31, 2024**

	General Fund	Workforce Housing Fund	Accommodation Unit Compliance Fund	Other Governmental Funds	Capital Projects Fund	Totals
<b>Assets</b>						
Cash and Investments	\$ 93,045,642	\$ 8,180,076	\$ 6,367,826	\$ 14,362,939	\$ 13,062,116	\$ 135,018,599
Restricted Cash and Investments	-	-	-	-	2,960,820	2,960,820
Receivables						
Taxes Receivable	8,340,519	-	-	1,324,994	-	9,665,513
Accounts Receivable	99,949	461,850	-	-	10,400	572,199
Interest Receivable	-	-	-	15,209	-	15,209
Notes Receivable	1,569,702	21,334,481	-	-	-	22,904,183
Assets Held for Resale	-	1,732,578	-	-	-	1,732,578
	<u>-</u>	<u>1,732,578</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,732,578</u>
Total Assets	<u>\$ 103,055,812</u>	<u>\$ 31,708,985</u>	<u>\$ 6,367,826</u>	<u>\$ 15,703,142</u>	<u>\$ 16,033,336</u>	<u>\$ 172,869,101</u>
<b>Liabilities</b>						
Accounts Payable	\$ 1,263,892	\$ 733,694	\$ 1,834	\$ 147,964	\$ 521,075	\$ 2,668,459
Accrued Liabilities	11,546	-	9,941	-	-	21,487
Accrued Salaries	889,966	28,257	-	29,340	-	947,563
Funds Held for Others	138,802	-	-	-	-	138,802
Unearned Revenues	11,102	-	6,355,783	-	-	6,366,885
Total Liabilities	<u>2,315,308</u>	<u>761,951</u>	<u>6,367,558</u>	<u>177,304</u>	<u>521,075</u>	<u>10,143,196</u>
<b>Deferred Inflows of Resources</b>						
Property Taxes and Assessments	5,063,891	-	-	-	-	5,063,891
Total Deferred Inflows of Resources	<u>5,063,891</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>5,063,891</u>
<b>Fund Balances</b>						
Nonspendable						
Notes Receivable	1,569,702	-	-	-	-	1,569,702
Restricted						
Emergencies	3,327,000	-	-	-	-	3,327,000
Affordable Housing	-	30,947,034	-	-	-	30,947,034
Open Space	-	-	-	6,707,860	12,551,441	19,259,301
Accommodation Unit Compliance	-	-	268	-	-	268
Parks and Recreation	-	-	-	23,804	-	23,804
Committed						
Marketing	-	-	-	8,794,174	-	8,794,174
Nicotine Programs	218,790	-	-	-	-	218,790
Sustainability Programs	479,239	-	-	-	-	479,239
Assigned						
Capital Projects	57,738,085	-	-	-	2,960,820	60,698,905
Next Year's Budget	365,088	-	-	-	-	365,088
Unassigned	<u>31,978,709</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>31,978,709</u>
Total Fund Balances	<u>95,676,613</u>	<u>30,947,034</u>	<u>268</u>	<u>15,525,838</u>	<u>15,512,261</u>	<u>157,662,014</u>
Total Liabilities, Deferred Inflows of Resources, and Fund Balances						
	<u>\$ 103,055,812</u>	<u>\$ 31,708,985</u>	<u>\$ 6,367,826</u>	<u>\$ 15,703,142</u>	<u>\$ 16,033,336</u>	<u>\$ 172,869,101</u>

See Notes to the Financial Statements.

**Town of Breckenridge, Colorado**  
 Reconciliation of the Balance Sheet of Governmental Funds  
 to the Statement of Net Position  
 Governmental Funds  
 December 31, 2024

**Amounts Reported for Governmental Activities  
 in the Statement of Net Position are Different Because:**

Total Fund Balances of Governmental Funds	\$ 157,662,014
Capital assets used in governmental activities are not financial resources, and therefore, are not reported in governmental funds.	260,154,670
Long-term liabilities and related items are not due and payable in the current year, and therefore, are not reported in governmental funds.	
Certificates of Participation Payable	(67,585,000)
Debt Premiums	(9,332,398)
Accrued Interest Payable	(174,416)
Accrued Compensated Absences	(1,180,943)
Total OPEB Liability	(1,904,513)
OPEB-related Deferred Outflows of Resources	761,643
OPEB-related Deferred Inflows of Resources	(509,573)
Internal Service Funds are blended into Governmental Activities	
Garage Service Net Position	17,544,184
Information Services Net Position	1,548,229
Facilities Maintenance Net Position	6,840,372
Health Benefits Net Position	1,107,169
<b>Total Net Position of Governmental Activities</b>	<b>\$ <u>364,931,438</u></b>

*See Notes to the Financial Statements.*

**Town of Breckenridge, Colorado**  
**Statement of Revenues, Expenditures and Changes in Fund Balances**  
**Governmental Funds**  
**For the Year Ended December 31, 2024**

	General Fund	Workforce Housing Fund	Accommodation Unit Compliance Fund	Other Governmental Funds	Capital Projects Fund	Totals
<b>Revenues</b>						
Taxes and Assessments	\$ 64,330,706	\$ 5,879,936	\$ -	\$ 10,876,053	\$ -	\$ 81,086,695
Licenses and Permits	1,910,599	-	-	943,936	-	2,854,535
Intergovernmental	1,806,134	737,303	-	60,570	25,000	2,629,007
Charges for Services	12,195,715	2,869,779	7,108,818	314,348	285,756	22,774,416
Fines and Forfeitures	1,133,640	-	-	-	-	1,133,640
Investment Earnings	3,519,203	909,575	7,734	609,396	574,136	5,620,044
Other	250,540	352,166	-	200	-	602,906
Total Revenues	<u>85,146,537</u>	<u>10,748,759</u>	<u>7,116,552</u>	<u>12,804,503</u>	<u>884,892</u>	<u>116,701,243</u>
<b>Expenditures</b>						
<b>Current</b>						
General Government	6,011,922	-	452,893	5,711,848	-	12,176,663
Public Safety	6,995,194	-	-	-	-	6,995,194
Public Works	20,418,324	-	-	-	7,425,979	27,844,303
Community Development	6,433,796	25,027,413	-	-	-	31,461,209
Culture and Recreation	10,454,390	-	-	-	-	10,454,390
Open Space Acquisition	-	-	-	2,161,166	-	2,161,166
Grants to Other Agencies	1,935,844	-	-	-	-	1,935,844
Capital Outlay	330,000	-	-	6,278,918	12,198,329	18,807,247
Debt Service						
Principal	1,740,000	1,235,000	-	-	-	2,975,000
Interest	1,556,775	1,471,150	-	-	-	3,027,925
Total Expenditures	<u>55,876,245</u>	<u>27,733,563</u>	<u>452,893</u>	<u>14,151,932</u>	<u>19,624,308</u>	<u>117,838,941</u>
<b>Revenues Over (Under)</b>						
<b>Expenditures</b>	<u>29,270,292</u>	<u>(16,984,804)</u>	<u>6,663,659</u>	<u>(1,347,429)</u>	<u>(18,739,416)</u>	<u>(1,137,698)</u>
<b>Other Financing Sources (Uses)</b>						
Transfers In	445,383	24,528,382	-	-	22,476,903	47,450,668
Transfers Out	<u>(40,012,574)</u>	<u>(2,234,408)</u>	<u>(6,915,808)</u>	<u>(218,877)</u>	<u>(366,943)</u>	<u>(49,748,610)</u>
Total Other Financing Sources (Uses)	<u>(39,567,191)</u>	<u>22,293,974</u>	<u>(6,915,808)</u>	<u>(218,877)</u>	<u>22,109,960</u>	<u>(2,297,942)</u>
<b>Net Change in Fund Balances</b>	(10,296,899)	5,309,170	(252,149)	(1,566,306)	3,370,544	(3,435,640)
<b>Fund Balances, Beginning of Year</b>	<u>105,973,512</u>	<u>25,637,864</u>	<u>252,417</u>	<u>17,092,144</u>	<u>12,141,717</u>	<u>161,097,654</u>
<b>Fund Balances, End of Year</b>	<u>\$ 95,676,613</u>	<u>\$ 30,947,034</u>	<u>\$ 268</u>	<u>\$ 15,525,838</u>	<u>\$ 15,512,261</u>	<u>\$ 157,662,014</u>

See Notes to the Financial Statements.

**Town of Breckenridge, Colorado**  
 Reconciliation of the Statement of Revenues, Expenditures and Changes in  
 Fund Balances of Governmental Funds to the Statement of Activities  
 Governmental Funds  
 For the Year Ended December 31, 2024

**Amounts Reported for Governmental Activities  
 in the Statement of Activities are Different Because:**

Net Change in Fund Balances of Governmental Funds	\$ (3,435,640)
Capital outlays to purchase or construct capital assets are reported in governmental funds as expenditures. However, for governmental activities those costs are capitalized in the statement of net position and are allocated over their estimated useful lives as annual depreciation expense in the statement of activities.	
Capital Outlay	29,033,030
Loss on Disposal of Assets	(3,712)
Depreciation Expense	(9,690,474)
Some expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds.	
Payments on Long-Term Debt	2,975,000
Amortization of Premiums	598,969
Change in Accrued Interest Payable	48,836
Change in OPEB Liability	(372,024)
Change in OPEB Related Deferred Outflows of Resources	284,618
Change in OPEB Related Deferred Inflows of Resources	(151,538)
Internal Service Funds are blended into Governmental Activities:	
Change in Net Position:	
Garage Services	1,712,427
Information Technology	(173,588)
Facility Maintenance	1,206,792
Health Benefits	(36,392)
	<u>21,996,304</u>
Change in Net Position of Governmental Activities	\$ <u><u>21,996,304</u></u>

See Notes to the Financial Statements.

**Town of Breckenridge, Colorado**  
**Statement of Net Position**  
**Proprietary Funds**  
**December 31, 2024**

	Business-Type Activities			Governmental Activities
	Utility Fund	Nonmajor Funds	Totals	Internal Service Funds
<b>Assets</b>				
<b>Current Assets</b>				
Cash and Investments	\$ 24,796,427	\$ 5,586,846	\$ 30,383,273	\$ 19,357,145
Accounts Receivables	614,058	-	614,058	148,418
Total Current Assets	<u>25,410,485</u>	<u>5,586,846</u>	<u>30,997,331</u>	<u>19,505,563</u>
<b>Noncurrent Assets</b>				
Restricted Cash and Investments	3,467,662	-	3,467,662	-
Capital Assets				
Not Being Depreciated	25,115	4,165,012	4,190,127	-
Being Depreciated,				
Net of Accumulated Depreciation	92,594,560	5,534,812	98,129,372	9,429,700
Total Noncurrent Assets	<u>96,087,337</u>	<u>9,699,824</u>	<u>105,787,161</u>	<u>9,429,700</u>
Total Assets	<u>121,497,822</u>	<u>15,286,670</u>	<u>136,784,492</u>	<u>28,935,263</u>
<b>Liabilities</b>				
<b>Current Liabilities</b>				
Accounts Payable	189,162	92,620	281,782	360,984
Accrued Liabilities	-	-	-	275,511
Accrued Salaries	455,781	23,450	479,231	42,041
Accrued Interest Payable	429,234	-	429,234	-
Current Portion of Long-term Liabilities				
Capital Lease Obligations Payable	2,778,029	-	2,778,029	92,147
Total Current Liabilities	<u>3,852,206</u>	<u>116,070</u>	<u>3,968,276</u>	<u>770,683</u>
<b>Noncurrent Liabilities</b>				
Accrued Compensated Absences	81,129	40,113	121,242	-
Capital Lease Obligations Payable	52,122,421	24,004	52,146,425	1,124,626
Total Noncurrent Liabilities	<u>52,203,550</u>	<u>64,117</u>	<u>52,267,667</u>	<u>1,124,626</u>
Total Liabilities	<u>56,055,756</u>	<u>180,187</u>	<u>56,235,943</u>	<u>1,895,309</u>
<b>Net Position</b>				
Net Investment in Capital Assets	37,719,225	9,675,820	47,395,045	8,212,927
Unrestricted	27,722,841	5,430,663	33,153,504	18,827,027
Total Net Position	<u>\$ 65,442,066</u>	<u>\$ 15,106,483</u>	<u>\$ 80,548,549</u>	<u>\$ 27,039,954</u>

See Notes to the Financial Statements.

**Town of Breckenridge, Colorado**  
**Statement of Revenues, Expenses and Changes in Net Position**  
**Proprietary Funds**  
**For the Year Ended December 31, 2024**

	Business-Type Activities			Governmental Activities
	Utility Fund	Nonmajor Funds	Total	Internal Service Fund
<b>Operating Revenues</b>				
Charges for Services	\$ 7,192,014	\$ 4,550,824	\$ 11,742,838	\$ 1,092,838
Intergovernmental	-	-	-	525
Reimbursement of Expenses	231,570	-	231,570	83,908
Insurance Recoveries	-	-	-	117,068
Internal Service Revenue	-	-	-	11,994,713
Employee Paid Premiums	-	-	-	631,812
Other Operating Revenue	-	-	-	94,569
Total Operating Revenues	<u>7,423,584</u>	<u>4,550,824</u>	<u>11,974,408</u>	<u>14,015,433</u>
<b>Operating Expenses</b>				
Administration	3,602,676	161,839	3,764,515	-
Water Rights Maintenance	180,733	-	180,733	-
Depreciation	3,226,915	576,493	3,803,408	1,669,240
Motor Vehicle Maintenance	-	-	-	2,464,428
Facility Maintenance	-	-	-	140,329
Information Systems Maintenance	-	-	-	1,886,581
Health Program	-	-	-	5,885,356
Golf Course Maintenance	-	1,193,894	1,193,894	-
Golf Pro Shop	-	1,322,442	1,322,442	-
Total Operating Expenses	<u>7,010,324</u>	<u>3,254,668</u>	<u>10,264,992</u>	<u>12,045,934</u>
<b>Operating Income</b>	<u>413,260</u>	<u>1,296,156</u>	<u>1,709,416</u>	<u>1,969,499</u>
<b>Nonoperating Revenues (Expenses)</b>				
Interest Income	1,946,080	367,398	2,313,478	787,018
Interest Expense	(1,385,812)	(2,306)	(1,388,118)	(61,856)
Loss from Disposal of Assets	(35,766)	12,000	(23,766)	269,251
Total Nonoperating Revenues (Expenses)	<u>524,502</u>	<u>377,092</u>	<u>901,594</u>	<u>994,413</u>
<b>Income Before Capital Contributions &amp; Transfers</b>	937,762	1,673,248	2,611,010	2,963,912
<b>Capital Contributions &amp; Transfers</b>				
Grant	21,347	-	21,347	-
Plant Investment Fees	806,301	-	806,301	-
Transfers In	2,404,913	188,364	2,593,277	366,943
Transfers Out	-	(40,662)	(40,662)	(621,616)
Total Capital Contributions & Transfers	<u>3,232,561</u>	<u>147,702</u>	<u>3,380,263</u>	<u>(254,673)</u>
<b>Change in Net Position</b>	4,170,323	1,820,950	5,991,273	2,709,239
<b>Net Position, Beginning of Year</b>	<u>61,271,743</u>	<u>13,285,533</u>	<u>74,557,276</u>	<u>24,330,715</u>
<b>Net Position, End of Year</b>	<u>\$ 65,442,066</u>	<u>\$ 15,106,483</u>	<u>\$ 80,548,549</u>	<u>\$ 27,039,954</u>

See Notes to the Financial Statements.

**Town of Breckenridge, Colorado**  
**Statement of Cash Flows**  
**Proprietary Funds**  
**For the Year Ended December 31, 2024**

	Business-Type Activities			Governmental Activities
	Utility Fund	Nonmajor Funds	Total	Internal Service Fund
<b>Cash Flows From Operating Activities</b>				
Cash Received from Customers	\$ 7,852,774	\$ 4,550,824	\$ 12,403,598	\$ 13,875,562
Cash Payments to Employees	(1,167,438)	(1,289,262)	(2,456,700)	(918,981)
Cash Payments to Vendors and Suppliers	(3,500,628)	(1,326,076)	(4,826,704)	(9,229,262)
Net Cash Provided by Operating Activities	<u>3,184,708</u>	<u>1,935,486</u>	<u>5,120,194</u>	<u>3,727,319</u>
<b>Cash Flows From Noncapital Financing Activities</b>				
Repayment of Loans to Other Funds	21,347	-	21,347	-
Transfers from Other Funds	2,404,913	-	2,404,913	366,943
Transfers to Other Funds	-	91,789	91,789	(423,578)
Net Cash Provided by (Used in) Noncapital Financing Activities	<u>2,426,260</u>	<u>91,789</u>	<u>2,518,049</u>	<u>(56,635)</u>
<b>Cash Flows From Capital and Related Financing Activities</b>				
Acquisition and Construction of Capital Assets	(39,406)	(1,088,564)	(1,127,970)	(2,475,595)
Proceeds from Sale of Assets	224	12,000	12,224	439,264
Plant Investment Fees	806,301	-	806,301	-
Principal Payments on Debt	(2,466,505)	-	(2,466,505)	(108,352)
Interest Payments on Debt	(1,296,904)	(2,306)	(1,299,210)	(61,856)
Net Cash Used in Capital and Related Financing Activities	<u>(2,996,290)</u>	<u>(1,078,870)</u>	<u>(4,075,160)</u>	<u>(2,206,539)</u>
<b>Cash Flows from Investing Activities</b>				
Interest Received	<u>1,946,080</u>	<u>367,398</u>	<u>2,313,478</u>	<u>787,018</u>
<b>Net Increase (Decrease) in Cash and Cash Equivalents</b>	4,560,758	1,315,803	5,876,561	2,251,163
<b>Cash and Cash Equivalents, Beginning of Year</b>	<u>23,703,331</u>	<u>4,271,043</u>	<u>27,974,374</u>	<u>17,105,982</u>
<b>Cash and Cash Equivalents, End of Year</b>	<u>\$ 28,264,089</u>	<u>\$ 5,586,846</u>	<u>\$ 33,850,935</u>	<u>\$ 19,357,145</u>
<b>Reconciliation of Operating Income to Net Cash Provided by Operating Activities</b>				
Operating Income	\$ 413,260	\$ 1,296,156	\$ 1,709,416	\$ 1,969,499
Adjustments to Reconcile Operating Income to Net Cash Provided by Operating Activities				
Depreciation	3,226,915	576,493	3,803,408	1,669,240
Changes in Asset and Liabilities				
Accounts Receivable	429,190	-	429,190	(139,871)
Accounts Payable and Accrued Liabilities	(1,306,089)	67,563	(1,238,526)	236,634
Accrued Salaries	412,598	5,045	417,643	(8,183)
Accrued Compensated Absences	8,834	(9,771)	(937)	-
Net Cash Provided by Operating Activities	<u>\$ 3,184,708</u>	<u>\$ 1,935,486</u>	<u>\$ 5,120,194</u>	<u>\$ 3,727,319</u>

See Notes to the Financial Statements.

# Town of Breckenridge, Colorado

## Notes to Financial Statements

December 31, 2024

### **Note 1: Summary of Significant Accounting Policies**

The accounting policies of the Town conform to generally accepted accounting principles as applicable to government entities. The Governmental Accounting Standard Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. Following is a summary of the more significant policies.

#### **Reporting Entity**

The Town became a home rule municipal corporation in 1980. The Town is governed by a mayor and six-member council elected by the residents.

In accordance with Governmental Accounting Standards, the Town has considered the possibility of inclusion of additional entities in its basic financial statements. The definition of the reporting entity is based primarily on financial accountability. The Town is financially accountable for organizations that make up its legal entity. It is also financially accountable for legally separate organizations if Town officials appoint a voting majority of the organization's governing body and either it is able to impose its will on that organization or there is a potential for the organization to provide specific financial benefits to, or to impose specific financial burdens on, the Town. The Town may also be financially accountable for governmental organizations that are fiscally dependent upon it. As such, the reporting entity is comprised of the primary government and its component units, entities for which the government is considered to be financially accountable.

Blended component units are, in substance, part of the Town's operations, even though they are legally separate entities. Thus, blended component units are appropriately presented as funds of the Town. Each discretely presented component unit is reported in a separate column in the government-wide financial statements to emphasize that it is legally separate from the Town.

#### **Blended Component Units**

The Town of Breckenridge Finance Authority (the Finance Authority) was established to allow for the issuance of certificates of participation with subsequent leasing of the underlying assets to the Town. The Finance Authority is fully controlled by the Town Council. Since the Finance Authority's governing body is substantively the same as the governing body of the Town and the LLC provides services entirely to the primary government, the Finance Authority is presented as a blended unit. The transactions of the Finance Authority have been eliminated as part of the financial presentation, but it is hereby incorporated by reference.

On January 13, 2015, the Town established the Breckenridge Housing Authority (BHA) and Pinewood 2, LLC (LLC) to facilitate the construction of a 47-unit affordable rental housing project, Pinewood 2 (PW2). The LLC has the same management as the primary government. The BHA has a three-member board; the Mayor as Chairperson, the Mayor Pro Tem as Vice Chairperson, and the Town Manager (or designee) as Secretary and Executive Director of the Finance Authority. As a result, the BHA and the LLC is reflected in the accompanying financial statements as a blended component unit as it's governing body is substantively the same as the Town, and the LLC provides services entirely to the government. The BHA does not issue separate financial statements and is a blended component unit. The BHA is the sole member of the LLC, which does not issue separate financial statements.

**Town of Breckenridge, Colorado**  
Notes to Financial Statements  
December 31, 2024

**Note 1: Summary of Significant Accounting Policies (Continued)**

**Discretely Presented Component Unit**

Pinewood 2, LLC is the general partner of Pinewood 2, LLLP (LLLP). The LLLP contains the project itself, and its financials are presented discretely as a component unit of the Town. This organizational structure was utilized in order to allow the Town to realize the benefits of low-income housing tax credits (LIHTEC). The LLLP has another partner, the Midwest Housing Equity Group (MHEG). MHEG's membership in the LLLP allows for the monetization of the LIHTEC. Pinewood 2 LLLP would not exist without its relationship with the Town for the purpose of providing an affordable housing option to the residents. Due to the nature and significance of this relationship, it is presented as a discretely presented component unit with the financial statements of the Town.

Separately issued financial statements for the Pinewood 2, LLLP can be obtained from Corum Real Estate at 600 S. Cherry Street Glendale, CO 80246.

**Related Organizations**

Breckenridge Tourism Office (formerly known as GoBreck), is a marketing organization that serves the Town's business community. The BTO appoints the board and submits a request to the Town each year for budget support. In 2024, the Town expended \$4,945,928 to the Breckenridge Tourism Office (BTO) out of its Marketing Fund.

The Breckenridge History (BH) is another organization that works closely with the Town. The BH is responsible for administering many of the Town's historical sites, such as the Barney Ford Victorian Home, Edwin Carter Discovery Center, and William H. Briggie House. They also provide walking tours of the Town's historic core. They also recommend and administer capital maintenance and improvements to our historic sites. The BH maintains its own 7-member board. In 2024, the Town contributed \$1,155,000 to the BH's efforts.

The Breckenridge Creative Arts (BCA) is an independent non-profit organization that works with the Town to maintain and program our Arts District campus. It has an eleven-member board, including one Town Council liaison (appointed by the Mayor) and the Town Manager as an *ex-officio* member. The remaining members are appointed by BCA. Town support for the BCA in 2024 was \$2,163,209.

The Town and Summit County cut the ribbon on Huron Landing, a 26-unit workforce housing rental development on County Road 450. The Huron Landing Authority is a 50-50 partnership between the Town and Summit County formed to operate the rental units. Each organization contributed funding, staff time and in-kind resources to the housing project. Summit County has owned the 1.7-acre property on CR 450 since the 1960s; the community identified it as a potential workforce housing site during the 2010 update of the Upper Blue Master Plan. Corum Real Estate Group will provide day-to-day property management services at Huron Landing. Four units are reserved for employees of the Town and Summit County government.

# Town of Breckenridge, Colorado

## Notes to Financial Statements

December 31, 2024

### Note 1: Summary of Significant Accounting Policies (Continued)

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

The government-wide financial statements (i.e., the statement of net position and the statement of activities) report information on all non-fiduciary activities of the Town and its component unit.

The reporting information includes all of the non-fiduciary activities of the Town. These statements are to distinguish between the governmental and business-type activities of the Town. Governmental activities normally are supported by taxes and intergovernmental revenues, and are reported separately from business-type activities, which rely to a significant extent on fees and charges for support.

The statement of activities presents a comparison between direct expenses and program revenues for the different business-type activities of the Town and for each function of the Town's governmental activities. Direct expenses are those that are specifically associated with a program or function and, therefore, are clearly identifiable to a particular function. Program revenues include fees and charges paid by the recipients of goods or services offered by the programs, and grants and contributions that are restricted to meeting the operational or capital requirements of a particular program. Revenues that are not classified as program revenues are presented as general revenues. In general, the effects of interfund activity have been eliminated from the government-wide financial statements. For 2024, this included the offset of internal service activity in the governmental activities presentation.

The fund financial statements provide information about the Town's funds. Separate statements for each fund category, governmental and proprietary, are presented. The emphasis of fund financial statements is on major governmental and enterprise funds, each displayed in a separate column. All remaining governmental and enterprise funds would be aggregated and reported as non-major funds. The Town presently does not treat any of its governmental or enterprise funds as non-major.

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

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

Governmental fund financial statements are reported using the *current financial resources measurement focus* and the *modified accrual basis of accounting*. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be *available* when they are collected within the current year or soon enough thereafter to pay liabilities of the current year. For this purpose, the Town considers revenues to be available if they are collected within 60 days of the end of the current year.

**Town of Breckenridge, Colorado**  
Notes to Financial Statements  
December 31, 2024

**Note 1: Summary of Significant Accounting Policies (Continued)**

**Measurement Focus, Basis of Accounting, and Financial Statement Presentation**  
(Continued)

Taxes, intergovernmental revenues, and interest associated with the current year are considered to be susceptible to accrual and so have been recognized as revenues of the current year. All other revenues are considered to be measurable and available only when cash is received by the Town.

Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences, are recorded only when payment is due. Proprietary funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. Operating expenses for enterprise funds include the cost of sales and services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

When both restricted and unrestricted resources are available for a specific use, it is the Town's practice to use restricted resources first, then unrestricted resources as they are needed.

In the fund financial statements, the Town reports the following major governmental funds:

**General Fund** - The General Fund is the general operating fund of the Town. It is used to account for all financial resources except those required to be accounted for in another fund.

**Special Revenue Funds** - Special Revenue Funds are used to account for the collection and disbursement of specific revenue sources. The Town's major Special Revenue Fund is as follows:

**Affordable Housing Fund** - The Affordable Housing Program is intended to assure the provision of housing for employees who work in the Upper Blue basin. The program's major components include the development and implementation of policies and programs that assure housing. A down payment assistance program for Town employees is provided to assist employees in obtaining housing in the area. This loan program is designed to assist with recruitment and retention. In addition, the Town provides limited transitional housing for employees in units both leased and owned by the Town. Costs related to owned and leased units including homeowner's association dues and general maintenance are accounted for in this fund as well.

**Capital Projects Fund** - This fund accounts for major Town multi-year capital projects. The Town accounts for the capital expenditures in this fund to facilitate the monitoring of operations in the Town's General Fund departments.

# Town of Breckenridge, Colorado

Notes to Financial Statements

December 31, 2024

## Note 1: Summary of Significant Accounting Policies (Continued)

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

(Continued)

In addition to the above, the Town reports the following nonmajor special revenue funds:

**Open Space Acquisition Fund** - A one half of one percent sales tax has been authorized by the voters for the purpose of an open space program. At times, implementing the goals of this program may require acquiring land for open space values. An open space master plan has been adopted which provides a framework for decisions on open space purchases. Revenues include a dedicated ½ of 1% sales tax, various grants, and annexation fees.

**Marketing Fund** - This fund accounts for the Town's participation in the Breckenridge Resort Chamber marketing program as well as community marketing grants through various non-profit organizations. The source of funding is a dedicated portion of the Town's sales and accommodations taxes as well as business license fees.

**Conservation Trust Fund** - This fund was established pursuant to Colorado State law to account for the receipt and disbursement of lottery funds. Each year the State distributes a percentage of the profits from the sale of lottery tickets to municipalities which may be used only to maintain, acquire, or construct recreation facilities, park facilities, or open space. As the Town funds its capital projects through the Capital Fund, the Town transfers their conservation trust proceeds to the Capital Fund as allowed projects are completed.

**Accommodation Unit Compliance Fund** - This fund accounts for the Town's accommodation unit fee charged to short-term rental units. Funds generated from this fee is used to assist the Town in providing workforce housing.

### Proprietary Funds

**Enterprise Funds** - Enterprise Funds are used to account for operations that are financed and operated in a manner similar to private business enterprises, where the intent of the governing body is that costs (expenses, including depreciation) of providing goods or services to the general public on a continuing basis be financed or recovered primarily through user charges. The Town's enterprise funds are as follows:

**Utility Fund** - This fund accounts for the operations of the Town's water system.

**Golf Course Fund (nonmajor)** - This fund accounts for the operations of the Town's golf course.

**Cemetery Fund (nonmajor)** - This fund accounts for the operations of the Town's cemetery.

# Town of Breckenridge, Colorado

## Notes to Financial Statements

December 31, 2024

### Note 1: Summary of Significant Accounting Policies (Continued)

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

*(Continued)*

**Internal Service Funds** - Internal Service Funds are used to account for operations that provide services to other departments or agencies of the Town on a cost-reimbursement basis. The Town's Internal Service funds are as follows:

**Garage Fund** - This fund accounts for the administration and operating expenses associated with the repair and maintenance of Town vehicles and equipment. The Fund will also purchase new vehicles and equipment. Costs related to the fund are allocated to the Town's other operating funds based on budgeted usage. Business-type activities represent only 5.25% of Garage Fund activities; therefore, the fund is consolidated with the governmental activities in the government-wide financial statements.

**Information Services Fund** - This fund is responsible for all aspects of the Town's computerized information systems. Costs related to the fund are allocated to the Town's other operating funds based on budgeted usage. Business-type activities represent only 4.92% of Information Services Fund activities; therefore, the fund is consolidated with the governmental activities in the government-wide financial statements.

**Facility Maintenance Fund** - This fund is responsible for certain aspects of the Town's facilities maintenance. Costs related to the fund are allocated to the Town's other operating funds based on budgeted usage. Business-type activities represent only 3.31% of Facilities Maintenance Fund activities; therefore, the fund is consolidated with the governmental activities in the government-wide financial statements.

**Health Benefits Fund** - This fund was created in 2018 to better track and predict the cost of the Town's employee health plan. Costs related to the fund are allocated to the Town's other operating funds based on budgeted use. Business-type activities represent 2.04% of Health Benefits Fund activities, therefore, the fund is consolidated with the governmental activities in the government-wide financial statements.

# Town of Breckenridge, Colorado

## Notes to Financial Statements

December 31, 2024

### Note 1: Summary of Significant Accounting Policies (Continued)

#### **Budgets**

The Town follows these procedures in establishing the budgetary data reflected in the financial statements:

- The Town's charter contains the following budget language:  
*Adoption of the budget by the council shall constitute appropriations of the amounts specified therein for expenditure from the funds indicated. The proceeds of any municipal borrowing authorized by Article XI of this Charter shall not be subject to any requirement of prior budgeting or appropriation as a condition to their expenditure. The amount necessary to repay any such municipal borrowing (including interest thereon) need not be budgeted or appropriated in full in the year in which the borrowing occurs; however, amounts necessary to pay debt service shall (except to the extent they may be payable from other legally available funds in the first year) be budgeted and appropriated on an annual basis, provided that no failure to budget and appropriate such annual debt service amounts shall affect the enforceability of any covenant of the town to make such payments. An appropriation for a capital expenditure shall continue in effect until the purpose for which the appropriation was made has been accomplished, or until the appropriation is abandoned or transferred. (Ord. 7, Series 2002, Election 4-2-2002)*
- All appropriations lapse at year end except as noted previously. Colorado governments may not exceed budgeted appropriations at the fund level.
- By October 15th of each year the Town Administration submits to the Town Council a proposed operating budget for the fiscal year commencing the following January 1st. The operating budget includes proposed expenditures and the means of financing them.
- Public hearings are conducted to obtain taxpayer comments.
- The Town certifies the mill levies to the Board of County Commissioners by December 15th.
- Prior to December 31, the budget is legally enacted through passage of an ordinance.
- The Town Administration is authorized to transfer budgeted amounts between departments within any fund; however, any revisions that alter the total expenditures of any fund must be approved by the Town Council.
- Budgets are legally adopted for all funds of the Town. Budgets for the General, Special Revenue, and Capital Projects Funds are adopted on a basis consistent with generally accepted accounting principles (GAAP). Budgetary comparisons presented for the Enterprise and Internal Service Funds are presented on a non-GAAP budgetary basis. Tap fees, grant revenues and debt proceeds are recognized as revenue for budget purposes. Capital outlay is budgeted as an expenditure.

#### **Assets, Liabilities and Net Position/Fund Balances**

*Cash Equivalents* - Cash equivalents include investments with original maturities of three months or less. Investments in pooled cash are considered cash equivalents.

# Town of Breckenridge, Colorado

## Notes to Financial Statements

December 31, 2024

### Note 1: Summary of Significant Accounting Policies (Continued)

#### **Assets, Liabilities and Net Position/Fund Balances** (Continued)

*Receivables* - All receivables are reported at their gross value and, where appropriate, are reduced by the estimated portion that is expected to be uncollectible. As of December 31, 2024, town management determined that an allowance was not necessary.

*Inventory* - Inventories are valued at cost, using the first-in, first-out (FIFO) method. The costs of inventories are recorded as expenses when consumed rather than when purchased.

*Prepaid Expenses* - Certain payments to vendors reflect costs applicable to future years and are reported as prepaid expenses. Expenses are recorded when consumed rather than when purchased.

*Capital Assets* - Capital assets, which include land, buildings, equipment, and all infrastructure owned by the Town, are reported in the applicable governmental or business-type activities columns in the government-wide financial statements and in the proprietary funds in the fund financial statements. Capital assets are defined by the Town as assets with an initial, individual cost of \$5,000 or more and an estimated useful life in excess of one year. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at the acquisition value on the date of donation. The costs of normal maintenance and repairs that do not add to the value of the assets or materially extend asset lives are not capitalized.

Capital assets are depreciated using the straight-line method over the following estimated useful lives.

Buildings	5 - 100 years
Infrastructure	5 - 30 years
Collection and Distribution Systems	30 - 50 years
Machinery, Equipment and Vehicles	5 - 15 years

*Compensated Absences* - Employees of the Town are allowed to accumulate unused vacation time up to 240 hours and unused sick time up to 480 hours. One-third of sick leave will be paid out to any employee upon termination after three years of continuous service not to exceed 80 hours.

Accumulated unpaid vacation pay is accrued when earned. In the government-wide presentation, accumulated compensated absences not expected to be paid with current available resources are reported as long-term liabilities. Governmental Activity compensated absences have normally been liquidated by the General Fund. The Town has estimated that 10% of the outstanding compensated absence balances will be liquidated within the next twelve months.

# Town of Breckenridge, Colorado

## Notes to Financial Statements

December 31, 2024

### Note 1: Summary of Significant Accounting Policies (Continued)

#### **Assets, Liabilities and Net Position/Fund Balances** (Continued)

*Long-Term Obligations* - In the government-wide financial statements and the proprietary funds in the fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities, or proprietary fund statement of net position. Debt premiums and discounts are deferred and amortized over the life of the debt using the straight-line method.

In the fund financial statements, governmental funds recognize the face amount of debt issued as other financing sources. Premiums received on debt issuances are reported as other financing sources while discounts on debt issuances are reported as other financing uses.

Debt issuance costs, whether or not withheld from the debt proceeds, are reported as current expenses or expenditures.

*Bond Premiums* - For the government-wide presentation as well as proprietary fund types, bond premiums are included with long-term debt and amortized over the life of the bonds using straight-line method. In the governmental fund financial statements, bond premiums are recognized as current period expenditures.

*Deferred Outflows of Resources* - In addition to assets, the statement of net position will sometimes report a separate section for deferred outflows of resources. A deferred outflow of resources is a consumption of net assets by the Town that is applicable to a future reporting period. The Town has one item that qualifies as a deferred outflow of resources related to its OPEB liability per GASB Statement No. 75. See Note 11 for additional information.

*Deferred Inflows of Resources* - In addition to liabilities, the statement of net position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net assets that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The government has only two types of deferred inflows of resources, which arises both under the full accrual and modified accrual basis of accounting that qualifies for reporting in this category. Accordingly, the item, unavailable revenue, is reported in both the governmental activities statement of net position and in the governmental funds balance sheet. The governmental funds report unavailable revenues from property taxes. These amounts are deferred and recognized as an inflow of resources in the period that the amounts become available. Since property tax revenues are collected in arrears during the succeeding year, a receivable and corresponding deferred inflow is recorded at December 31. As the tax is collected in the succeeding year, the deferred inflow is recognized as revenue and the receivable is reduced. In addition, the Town has deferred inflows of resources related to the OPEB liability per GASB Statement No. 75 has been recorded as of December 31, 2020. See Note 11 for additional information.

# Town of Breckenridge, Colorado

## Notes to Financial Statements

December 31, 2024

### Note 1: Summary of Significant Accounting Policies (Continued)

#### **Assets, Liabilities and Net Position/Fund Balances** (Continued)

*Net Position/Fund Balances* - In the government-wide financial statements and for the proprietary fund statements, net position is either shown as invested in capital assets net of related debt, with these assets essentially being nonexpendable; restricted when constraints placed on the net position are externally imposed; or unrestricted.

For the governmental fund presentation, fund balances that are classified as *non-spendable* include amounts that cannot be spent because they are either (a) not in spendable form or (b) legally or contractually required to be maintained intact. The *not in spendable form* criterion includes items that are not expected to be converted to cash, for example, inventories, prepaid amounts, and notes receivable.

Fund balance should be reported as *restricted* when constraints placed on the use of resources are either (a) externally imposed by creditors (such as through debt covenants), grantors, contributors, or laws or regulations of other governments; or (b) imposed by law through constitutional provisions or enabling legislation.

Amounts that can only be used for specific purposes pursuant to constraints imposed by formal action of the government's highest level of decision-making authority, the Town Council, should be reported as *committed* fund balance. Those committed amounts cannot be used for any other purpose unless the government removes or changes the specified use by taking the same type of action (for example, legislation, resolution, ordinance) it employed to previously commit those amounts.

Amounts that are constrained by the government's intent to be used for specific purposes, but are neither restricted nor committed, should be reported as *assigned* fund balance. Through resolution, the Town Council has authorized the Town's financial services director or designee to assign fund balances.

All remaining fund balances in the General Fund or deficits in the other governmental funds are presented as unassigned.

#### **Property Taxes**

Property taxes attach as an enforceable lien on January 1, are levied the following December, and are collected in the subsequent calendar year. Taxes are payable in full on April 30 or in two installments on February 28 and June 15. The County Treasurer's Office collects property taxes and remits to the Town on a monthly basis.

Since property tax revenues are collected in arrears during the succeeding year, receivables and corresponding deferred inflows of resources are reported at December 31.

# Town of Breckenridge, Colorado

## Notes to Financial Statements

December 31, 2024

### Note 1: Summary of Significant Accounting Policies (Continued)

#### Other Post-Employment Benefits (OPEB)

The Town provides a single-employer defined benefit post-employment (OPEB) health care plan that covers eligible retired employees of the Plan. No assets are accumulated in a trust that meets the criteria in paragraph 4 of Statement 75.

#### Subsequent Events

We have evaluated subsequent events through June 10, 2025, the date the financial statements were available to be issued.

### Note 2: Cash and Investments

#### Cash Deposits

Cash and investments at December 31, 2024, consisted of the following:

Cash on Hand	\$	5,085
Deposits		83,156,329
Investments		62,837,965
Local Government Investment Pool		<u>44,011,614</u>
Total	\$	<u><u>190,010,993</u></u>

Cash and investments are reported in the financial statements as follows:

Cash and Investments	\$	184,759,017
Restricted Cash and Investments		<u>6,428,482</u>
Total	\$	<u><u>191,187,499</u></u>

**Town of Breckenridge, Colorado**  
Notes to Financial Statements  
December 31, 2024

**Note 2: Cash and Investments (Continued)**

**Cash Deposits** (Continued)

The Colorado Public Deposit Protection Act (PDPA) requires all local government entities to deposit cash in eligible public depositories. Eligibility is determined by State regulations. Amounts on deposit in excess of federal insurance levels must be collateralized by eligible collateral as determined by the PDPA. The PDPA allows the financial institution to create a single collateral pool for all public funds held. The pool is to be maintained by another institution or held in trust for all uninsured public deposits as a group. The market value of the collateral must be at least equal to 102% of the uninsured deposits. At December 31, 2024, the Town had bank deposits of \$79,061,150 collateralized with securities held by the financial institution's agent but not in the Town's name.

The discretely presented component unit - Pinewood 2, LLLP has cash deposits of \$448,165, of which \$227,894 is unrestricted and \$220,271 is restricted. Cash in excess of \$250,000 is collateralized by PDPA.

**Restricted Cash**

The General Fund has restricted cash of \$0 which is held by UMB Trust. The cash will be held by UMB until requests to draw against these funds are paid by the Town as construction expenses for the parking structure as incurred.

The Utility Fund has a restricted cash balance of \$3,467,662 that was held by Colorado Water Resources & Power Development Authority (CWRPDA). The cash will be held by CWRPDA until requests to draw against these funds are paid by the Town as construction expenses are incurred. The Note Payable that relates to this cash is described in Note 6 - Long Term Debt.

The Capital Fund has cash of \$2,960,820 restricted for the construction of the fiber infrastructure. The cash will be held by UMB until requests to draw against these funds are paid by the Town as construction expenses as incurred.

**Investments**

State statutes and the Town's investment policy specify the investment instruments meeting defined rating, maturity, and concentration risk criteria in which the Town may invest, which include the following. State statutes do not address custodial risk.

- Obligations of the United States and certain U.S. Agency securities
- Certain international agency securities
- General obligation and revenue bonds of U.S. local government entities
- Bankers' acceptances of certain banks
- Commercial paper
- Local government investment pools
- Written repurchase agreements collateralized by certain authorized securities
- Certain money market funds

**Town of Breckenridge, Colorado**  
Notes to Financial Statements  
December 31, 2024

**Note 2: Cash and Investments (Continued)**

**Investments** (Continued)

- Guaranteed investment contracts

The Town measures and records its investments using guidelines established by generally accepted accounting principles. These guidelines recognize a three-tiered hierarchy, as follows:

- Level 1: Quoted prices for identical investments in active markets;
- Level 2: Observable inputs other than quoted market prices; and,
- Level 3: Unobservable inputs

The Town had the following investments at December 31, 2024:

Investment	Maturity	Rating	Level 1	Level 2	Level 3	Total
Colotrust Plus+	N/A	Aam	\$ 420,644	\$ -	\$ -	\$ 420,644
U.S. Treasuries	Less than 1 year	Aaa	-	20,990,770	-	20,990,770
U.S. Treasuries	1 to 5 years	Aaa	-	32,015,385	-	32,015,385
U.S. Instruments	Less than 1 year	Aaa	-	8,198,628	-	8,198,628
Corporate Fixed Income	Less than 1 year	N/A	-	1,212,538	-	1,212,538
Total						<u>\$ 62,837,965</u>

The Town's investments in U.S. Treasuries are valued using quoted prices in markets that are not considered to be active, dealer quotations or alternative pricing sources for similar assets or liabilities for which all significant inputs are observable, either directly or indirectly (Level 2 inputs).

*Fair Value Measurements* - The Town reports its investments using the fair value measurements established by generally accepted accounting principles. As such, a fair value hierarchy categorizes the inputs used to measure the fair value of the investments into three levels. Level 1) inputs are quoted prices in active markets for identical investments; Level 2) inputs include quoted prices in active markets for similar investments, or other observable inputs; and Level 3) inputs are unobservable inputs. At December 31, 2024, the Town's investments in U.S. Treasury and Agency securities were measured utilizing quoted prices in active markets for similar investments (Level 2 inputs). The Town's investments in the Invesco Treasury Money Market Fund and the local government investment pools were measured at the net asset value per share.

*Interest Rate Risk* - State statutes generally limit investment securities to an original maturity of five years unless the governing board authorizes the investment for a period in excess of five years.

*Credit Risk* - State statutes limit investments in money market funds to those that maintain a constant share price, with a maximum remaining maturity in accordance with the Securities and Exchange Commission's Rule 2a-7, and either assets of one billion dollars or the highest rating issued by one or more nationally recognized statistical rating organizations.

# Town of Breckenridge, Colorado

## Notes to Financial Statements

December 31, 2024

### Note 2: Cash and Investments (Continued)

#### Investments (Continued)

*Local Government Investment Pools* - At December 31, 2024, the Town had a total of \$41,045,801 invested in the Colorado Local Government Liquid Asset Trust (Colotrust). The pools are investment vehicles established for local government entities in Colorado to pool surplus funds. The Colorado Division of Securities administers and enforces the requirements of creating and operating the pools. The pools operate in conformity with the Securities and Exchange Commission's Rule 2a-7.

The pools are measured at the net asset value per share, with each share valued at \$1. The pools are rated AAAM by Standard and Poor's. Investments of the pools are limited to those allowed by State statutes. A designated custodial bank provides safekeeping and depository services in connection with the direct investment and withdrawal functions. The custodian's internal records identify the investments owned by the participating governments.

*Custodial Credit Risk* - At December 31, 2024, the Town's investments in U.S. Treasury and Agency securities were held by the counterparty (broker), but not in the Town's name.

### Note 3: Note Receivable

A summary of the Changes in the Note Receivable is as follows:

<b>Notes Receivable</b>	Balance 12/31/23	Additions	Deletions	Balance 12/31/24
Breckenridge Nordic Center, LLC	\$ 1,073,482	\$ -	\$ (38,915)	\$ 1,034,567
Pinewood 2, LLLC	5,956,846	-	(61,421)	5,895,425
Alta Verde Affordable Housing	6,212,000	-	-	6,212,000
Alta Verde Affordable Housing	4,038,781	5,188,275	-	9,227,056
Employee Verde Affordable Housing	110,759	437,800	(13,424)	535,135
	<u>\$ 17,391,868</u>	<u>\$ 5,626,075</u>	<u>\$ (113,760)</u>	<u>\$ 22,904,183</u>

The Town has outstanding notes receivable totaling \$1,034,567 at December 31, 2024, due from the Breckenridge Nordic Center, LLC under a loan agreement dated June 15, 2011, for the construction of a new facility and storage building. The note is collateralized by a deed of trust/security interest in the new facility. The note is paid in monthly installments of principal and interest over 30 years beginning May 1, 2014, at an interest rate of 4% per annum.

The Town's 2015 contributions to Pinewood 2, LLLC, for construction of a new affordable rental housing project, Pinewood 2, are recognized as a note receivable in the Affordable Housing Fund. As of December 31, 2024, the amount of this note receivable was \$5,895,425. The project was completed in July of 2016. In 2017, the loan was converted from a construction loan to a permanent financing loan. The annual payments are to be made from the net income from the housing project. The first annual payment will be made in 2018 from the 2017 net income, and then annually thereafter. The term of the loan is an interest rate of 2.5% and a 40-year term.

## Town of Breckenridge, Colorado

### Notes to Financial Statements

December 31, 2024

#### Note 3: Note Receivable (Continued)

In 2021 and in 2022, the Town Council approved resolutions to enter into an agreement with Alta Verde, LLC in order to assist Alta Verde, LLC in securing interest in real property. The note was collateralized by a deed of trust and an assignment of leases and rents. The amount of the note outstanding as of December 31, 2023, was \$15,439,056. Under the agreement principal and interest is paid based upon surplus cash flow of the project. Any unpaid interest is capitalized into the principal on a monthly basis, with interest at a rate of 1.0% per annum.

In 2000, The Town instituted a housing down payment assistance program where regular (non-seasonal) Town employees can borrow money from the Town to purchase housing. The purpose of the program is to assist qualified Town of Breckenridge employees with the purchase of a home within a reasonable commuting distance of their jobs. Eligible activities are down payment assistance for a home purchase or new construction only. The Town's note is a second mortgage on the property with a fixed interest rate of 3% amortized over 20 years. The note is due in 10 years or upon sale or transfer of the home from the employee to another party. The default interest rate of Prime plus 3% is put into effect as the new fixed rate upon a payment past due 90 days or greater or 1 year after termination of employment from the Town. As of December 31, 2024, the amount of these notes outstanding totaled \$535,135.

#### Note 4: Assets Held for Resale

The Town has a program whereas they acquire housing properties within the Town limits and resale the properties to employees of either the Town or Town employers. The Town holds 5 properties as of December 31, 2024. During 2024, the Town sold eight (8) properties for a total of \$5,729,418, resulting in a net loss of \$1,745,013.

A summary of the activity is as follows:

	Balance	Additions	Sales	Balance	Loss on Sale of Properties
Gold Camp C66	\$ 651,418	\$ -	\$ (651,418)	\$ -	\$ (217,584)
Timberline Circle, 350	1,574,552	-	(1,574,552)	-	(483,255)
Villas at Swan Nest, Unit 1301	858,795	-	-	858,795	-
Villas at Swan Nest, Unit 1805	857,099	-	(857,099)	-	(272,195)
Villas at Swan Nest, Unit 1903	863,815	-	(863,815)	-	(249,565)
Fuller Placer Rd, Unit 166	-	858,035	(858,035)	-	(263,845)
Reiling Rd, Unit 123	-	924,499	(924,499)	-	(258,569)
9359 Hwy 9, Unit P5	-	873,783	-	873,783	-
<b>Assets Held for Resales</b>	<b>\$ 4,805,679</b>	<b>\$ 2,656,317</b>	<b>\$ (5,729,418)</b>	<b>\$ 1,732,578</b>	<b>\$ (1,745,013)</b>

**Town of Breckenridge, Colorado**  
**Notes to Financial Statements**  
**December 31, 2024**

**Note 5: Capital Assets**

Governmental capital assets activity for the year ended December 31, 2024, is summarized below:

<b>Governmental Activities</b>	Balance 12/31/23	Additions	Transfers	Deletions	Balance 12/31/24
<b>Capital Assets, Not Being Depreciated</b>					
Land	\$ 39,045,764	\$ 6,110,088	\$ -	\$ -	\$ 45,155,852
Art	737,758	-	-	-	737,758
Construction in Progress	47,841,169	-	(12,844,008)	-	34,997,161
<b>Total Capital Assets, Not Being Depreciated</b>	<b>87,624,691</b>	<b>6,110,088</b>	<b>(12,844,008)</b>	<b>-</b>	<b>80,890,771</b>
<b>Capital Assets, Being Depreciated</b>					
Buildings	129,406,058	9,421,053	12,844,008	-	151,671,119
Improvements	31,069,758	7,292,002	217,647	(55,873)	38,523,534
Infrastructure	55,312,794	4,510,294	-	-	59,823,088
Equipment	4,119,042	1,492,445	73,002	-	5,684,489
Vehicles	12,685	-	-	-	12,685
Internal Service					
Improvements	237,040	-	(193,694)	-	43,346
Vehicles	10,644,229	402,545	-	(15,903)	11,030,871
Equipment	5,990,001	2,072,145	(73,002)	(924,523)	7,064,621
<b>Total Capital Assets, Being Depreciated</b>	<b>236,791,607</b>	<b>25,190,484</b>	<b>12,867,961</b>	<b>(996,299)</b>	<b>273,853,753</b>
<b>Less Accumulated Depreciation for</b>					
Buildings	(45,422,741)	(4,475,336)	-	-	(49,898,077)
Improvements	(11,276,915)	(1,739,220)	(83,436)	52,161	(13,047,410)
Infrastructure	(7,677,953)	(3,087,079)	-	-	(10,765,032)
Equipment	(2,349,304)	(385,668)	(60)	-	(2,735,032)
Vehicles	(2,294)	(3,171)	-	-	(5,465)
Internal Service					
Improvements	(75,100)	(10,974)	77,405	-	(8,669)
Vehicles	(4,885,246)	(880,237)	-	2,100	(5,763,383)
Equipment	(2,919,523)	(793,837)	60	776,214	(2,937,086)
<b>Total Accumulated Depreciation</b>	<b>(74,609,076)</b>	<b>(11,375,522)</b>	<b>(6,031)</b>	<b>830,475</b>	<b>(85,160,154)</b>
<b>Total Capital Assets, Being Depreciated, Net</b>	<b>162,182,531</b>	<b>13,814,962</b>	<b>12,861,930</b>	<b>(165,824)</b>	<b>188,693,599</b>
<b>Governmental Activities Capital Assets, Net</b>	<b>\$ 249,807,222</b>	<b>\$ 19,925,050</b>	<b>\$ 17,922</b>	<b>\$ (165,824)</b>	<b>\$ 269,584,370</b>

Depreciation is allocated to the Town's governmental activities as follows:

<b>Governmental Activities</b>	
General Government	\$ 1,867,173
Public Safety	1,179,939
Public Works	1,732,202
Community Development	3,425,011
Culture and Recreation	1,486,149
Internal Service Funds	1,685,048
<b>Total</b>	<b>\$ 11,375,522</b>

**Town of Breckenridge, Colorado**  
Notes to Financial Statements  
December 31, 2024

**Note 5: Capital Assets (Continued)**

Business-type capital assets activity for the year ended December 31, 2024, is summarized below:

<b>Business-Type Activities</b>	Balance 12/31/23	Additions	Transfers	Deletions	Balance 12/31/24
<b>Capital Assets, Not Being Depreciated</b>					
Land	\$ 4,106,387	\$ -	\$ -	\$ -	\$ 4,106,387
Construction in Progress	25,115	58,625	-	-	83,740
<b>Total Capital Assets, Not Being Depreciated</b>	<b>4,131,502</b>	<b>58,625</b>	<b>-</b>	<b>-</b>	<b>4,190,127</b>
<b>Capital Assets, Being Depreciated</b>					
Buildings	67,172,390	-	-	-	67,172,390
Infrastructure	8,104,232	-	-	(27,935)	8,076,297
Improvements	38,619,076	850,426	(272,000)	(139,017)	39,058,485
Equipment	25,613,367	218,917	272,000	(159,988)	25,944,296
<b>Total Capital Assets, Being Depreciated</b>	<b>139,509,065</b>	<b>1,069,343</b>	<b>-</b>	<b>(326,940)</b>	<b>140,251,468</b>
<b>Less Accumulated Depreciation for</b>					
Buildings	(11,698,664)	(1,571,595)	-	-	(13,270,259)
Infrastructure	(3,721,947)	(517,672)	-	27,935	(4,211,684)
Improvements	(10,589,803)	(1,030,493)	165,950	139,017	(11,315,329)
Equipment	(12,599,226)	(684,491)	(165,950)	124,843	(13,324,824)
<b>Total Accumulated Depreciation</b>	<b>(38,609,640)</b>	<b>(3,804,251)</b>	<b>-</b>	<b>291,795</b>	<b>(42,122,096)</b>
<b>Total Capital Assets, Being Depreciated, Net</b>	<b>100,899,425</b>	<b>(2,734,908)</b>	<b>-</b>	<b>(35,145)</b>	<b>98,129,372</b>
<b>Business-Type Activities Capital Assets, Net</b>	<b>\$ 105,030,927</b>	<b>\$ (2,676,283)</b>	<b>\$ -</b>	<b>\$ (35,145)</b>	<b>\$ 102,319,499</b>

Depreciation expense was charged to function/programs of the Town as follows:

<b>Business-Type Activities</b>		
Utility Fund		\$ 3,227,759
Golf Course Fund		576,492
<b>Total</b>		<b>\$ 3,804,251</b>

Component Unit capital assets activity for the year ended December 31, 2024, is summarized below:

<b>Discretely Presented Component Unit</b>	Balance 12/31/23	Additions	Transfers	Deletions	Balance 12/31/24
<b>Capital Assets, Being Depreciated</b>					
Buildings and Improvements	\$ 9,035,023	\$ -	\$ -	\$ -	\$ 9,035,023
Equipment	788,525	3,901	-	-	792,426
<b>Total Capital Assets, Being Depreciated</b>	<b>9,823,548</b>	<b>3,901</b>	<b>-</b>	<b>-</b>	<b>9,827,449</b>
<b>Less Accumulated Depreciation</b>	<b>(3,598,688)</b>	<b>(375,682)</b>	<b>-</b>	<b>-</b>	<b>(3,974,370)</b>
<b>Total Capital Assets, Being Depreciated, Net</b>	<b>6,224,860</b>	<b>(371,781)</b>	<b>-</b>	<b>-</b>	<b>5,853,079</b>
<b>Discretely Presented Component Unit Capital Assets, Net</b>	<b>\$ 6,224,860</b>	<b>\$ (371,781)</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 5,853,079</b>

**Town of Breckenridge, Colorado**  
Notes to Financial Statements  
December 31, 2024

**Note 6: Long-Term Debt**

**Governmental Activities**

Following is a summary of long-term transactions for the year ended December 31, 2024:

	Balance 12/31/23	Additions	Payments	Balance 12/31/24	Due Within One Year
<b>Governmental Activities</b>					
Certificate of Participation, 2016	\$ 5,800,000	\$ -	\$ (605,000)	\$ 5,195,000	\$ 620,000
Premium	625,237	-	(52,104)	573,133	-
Certificate of Participation, 2020	39,000,000	-	(1,490,000)	37,510,000	1,555,000
Premium	5,801,848	-	(276,278)	5,525,570	-
Certificate of Participation, 2021	8,570,000	-	(315,000)	8,255,000	330,000
Premium	1,706,835	-	(175,985)	1,530,850	-
Certificate of Participation, 2022	17,190,000	-	(565,000)	16,625,000	590,000
Premium	1,797,447	-	(94,602)	1,702,845	-
Lease Liability - Internal Services	1,325,125	-	(108,353)	1,216,772	92,147
Compensated Absences					
Governmental	<u>1,180,944</u>	<u>-</u>	<u>-</u>	<u>1,180,944</u>	<u>118,094</u>
Totals	<u>\$ 82,997,436</u>	<u>\$ -</u>	<u>\$ (3,682,322)</u>	<u>\$ 79,315,114</u>	<u>\$ 3,305,241</u>

**Certificates of Participation**

On March 10, 2016, the Town issued certificates of participation in the amount of \$10,060,000 (2016 COPs). \$2,325,000 was used for the refunding of the 2005 COP (related to the construction of the police department facility) and \$7,735,000 was available for the construction of the Huron Landing affordable housing project. The certificates require semi-annual interest and annual principal payments on June 1 and December 1 through December 2030. The Certificates bear interest at rates varying from 2-5%. Payments are allocated between the Housing Fund and the Excise Fund, which is combined with the General Fund for reporting purposes.

The annual debt service requirements for the 2016 COPs are as follows:

<u>Year Ended December 31,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2025	\$ 620,000	\$ 269,450	\$ 889,450
2026	380,000	203,850	583,850
2027	395,000	188,650	583,650
2028	410,000	172,850	582,850
2029	425,000	156,450	581,450
2030 - 2034	2,410,000	503,300	2,913,300
2035	<u>555,000</u>	<u>27,750</u>	<u>582,750</u>
Total	<u>\$ 5,195,000</u>	<u>\$ 1,522,300</u>	<u>\$ 6,717,300</u>

**Town of Breckenridge, Colorado**  
Notes to Financial Statements  
December 31, 2024

**Note 6: Long-Term Debt** (Continued)

**Governmental Activities** (Continued)

**Certificates of Participation** (Continued)

In May of 2020, the Town Council approved the issuance of certificates of participation (2020 COPs). After final pricing, the proceeds for the Town for the 2020 Certificates of Participation total \$50,716,961. The underlying assets securing these COPs are the Breckenridge Grand Vacation Community Center (BGVCC), Breckenridge Town Hall, Breckenridge Recreation Center & Kingdom Park, Riverwalk Center Theatre, and the Police Department Building. The COPs are payable over 25 years at an all-in true interest cost of 2.734% per annum for the 2020A taxable bonds and 1.131% per annum for the 2020B tax exempt bonds. Of this issue, \$2.4M was used to retire the principle of the 2007 COP debt issue (related to the construction of a childcare facility). The remaining amount is designated to fund the construction of a parking structure and expansion of the Fiber Infrastructure project. Construction began in June of 2020.

The annual debt service requirements for the 2020 COPs are as follows:

<u>Year Ended December 31,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2025	\$ 1,555,000	\$ 1,476,293	\$ 3,031,293
2026	1,575,000	1,452,845	3,027,845
2027	1,645,000	1,382,866	3,027,866
2028	1,480,000	1,309,658	2,789,658
2029	1,540,000	1,244,970	2,784,970
2030 - 2034	8,775,000	5,174,144	13,949,144
2035 - 2039	10,625,000	3,381,947	14,006,947
2040 - 2044	<u>10,315,000</u>	<u>1,270,200</u>	<u>11,585,200</u>
Total	<u>\$ 37,510,000</u>	<u>\$ 16,692,923</u>	<u>\$ 54,202,923</u>

In December 2021, the Town Council approved the issuance of certificates of participation (2021 COPs). The proceeds of the 2021 COPs were used for the purpose of financing the acquisition, construction, installation, equipping of for rent workforce housing on the financed purchase property. The term is 20 years, maturing on December 1, 2041 with annual principal and interest payments of approximately \$1,422,000. Interest accrues at 5% per year.

**Town of Breckenridge, Colorado**  
Notes to Financial Statements  
December 31, 2024

**Note 6: Long-Term Debt (Continued)**

**Governmental Activities** (Continued)

**Certificates of Participation** (Continued)

The annual debt service requirements for the 2021 COPs are as follows:

<u>Year Ended December 31,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2025	\$ 330,000	\$ 366,800	\$ 696,800
2026	350,000	350,300	700,300
2027	365,000	332,800	697,800
2028	385,000	314,550	699,550
2029	405,000	295,300	700,300
2030 - 2034	2,340,000	1,152,500	3,492,500
2035 - 2039	2,810,000	597,600	3,407,600
2040 - 2041	<u>1,270,000</u>	<u>76,600</u>	<u>1,346,600</u>
Total	<u>\$ 8,255,000</u>	<u>\$ 3,486,450</u>	<u>\$ 11,741,450</u>

In December 2022, the Town Council approved the issuance of certificates of participation (2022 COPs). The proceeds of the 2022 COPs will be used for the purpose building 52 work force housing apartments. The term is 20 years, maturing on December 1, 2042 with annual principal and interest payments of increasing from \$285,000 to \$645,000. Interest accrues at 5% per year.

The annual debt service requirements for the 2022 COPs are as follows:

<u>Year Ended December 31,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2025	\$ 590,000	\$ 831,250	\$ 1,421,250
2026	620,000	801,750	1,421,750
2027	650,000	770,750	1,420,750
2028	685,000	738,250	1,423,250
2029	720,000	704,000	1,424,000
2030 - 2034	4,165,000	2,943,750	7,108,750
2035 - 2039	5,320,000	1,692,500	7,012,500
2040 - 2042	<u>3,875,000</u>	<u>393,750</u>	<u>4,268,750</u>
Total	<u>\$ 16,625,000</u>	<u>\$ 8,876,000</u>	<u>\$ 25,501,000</u>

In 2019, the Town entered into a financed purchase agreement for \$355,298 for the purchase of high voltage battery packs for the Town's buses. The financed purchase term is six years, maturing on August 1, 2025, with monthly principal and interest payments of \$5,833. Interest accrues at 5% per year.

**Town of Breckenridge, Colorado**  
Notes to Financial Statements  
December 31, 2024

**Note 6: Long-Term Debt (Continued)**

**Governmental Activities** (Continued)

Following is a schedule of the future financed purchase payments including the financed purchase and the present value of the financed purchase payments at December 31, 2024:

<u>Year Ended December 31,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2025	\$ 113,896	\$ 61,104	\$ 175,000
2026	119,723	55,277	175,000
2027	125,849	49,151	175,000
2028	132,287	42,713	175,000
2029	139,056	35,944	175,000
2030 - 2034	560,352	81,314	641,666
2035	<u>25,609</u>	<u>641</u>	<u>26,250</u>
Total	<u>\$ 1,216,772</u>	<u>\$ 326,144</u>	<u>\$ 1,542,916</u>

Compensated absences of the governmental activities are expected to be liquidated primarily with revenues of the General Fund.

**Contingency Commitments**

The Town has guaranteed a \$20 million construction loan between a bank and Stables Village, LLC for the construction of a housing development designated for workforce housing. The loan is anticipated to close in 2025 when the development is complete. If the primary borrower defaults on the loan and the Town is required to pay, the Town will take ownership of the project. As of December 31, 2023, the Town does not anticipate having to fulfill its obligation under the guarantee.

**Business-Type Activities**

Following is a summary of long-term debt transactions for the year ended December 31, 2024:

	<u>Balance</u> <u>12/31/23</u>	<u>Additions</u>	<u>Payments</u>	<u>Balance</u> <u>12/31/24</u>	<u>Due Within</u> <u>One Year</u>
<b>Business-Type Activities</b>					
CWR&PDA, Series 2017	\$ 43,339,263	\$ -	\$ (2,410,399)	\$ 40,928,864	\$ 2,454,376
Premium	897,692	-	(56,106)	841,586	-
CWR&PDA, Series 2022	13,130,000	-	-	13,130,000	323,653
Lease Liability	79,917	-	(55,913)	24,004	-
Compensated Absences					
Utility Fund	65,065	33,273	(17,209)	81,129	-
Golf Fund	<u>44,896</u>	<u>4,197</u>	<u>(8,980)</u>	<u>40,113</u>	<u>-</u>
Totals	<u>\$ 57,556,833</u>	<u>\$ 37,470</u>	<u>\$ (2,548,607)</u>	<u>\$ 55,045,696</u>	<u>\$ 2,778,029</u>

**Town of Breckenridge, Colorado**  
Notes to Financial Statements  
December 31, 2024

**Note 6: Long-Term Debt** (Continued)

**Business-Type Activities** (Continued)

**Notes Payable**

In November 2017, the Town entered into a loan agreement with the Colorado Water Resources Power Development Authority (CWRPDA) for a principal amount of \$56,990,796, in order to construct a 2<sup>nd</sup> water plant to serve the Town's growing needs. The loan has a prime interest rate and is payable in bi-annual payments beginning on February 1, 2018, with a maturity date of August 1, 2039.

The annual debt service requirements for the 2017 CWRPDA are as follows:

<u>Year Ended December 31,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2025	\$ 2,454,376	\$ 774,033	\$ 3,228,409
2026	2,497,507	733,033	3,230,540
2027	2,534,683	694,033	3,228,716
2028	2,572,720	657,283	3,230,003
2029	2,587,684	642,833	3,230,517
2030 - 2034	13,290,233	2,859,469	16,149,702
2035 - 2039	<u>14,991,661</u>	<u>1,155,632</u>	<u>16,147,293</u>
Total	<u>\$ 40,928,864</u>	<u>\$ 7,516,316</u>	<u>\$ 48,445,180</u>

In August 2022, the Town entered into a loan agreement with the Colorado Water Resources Power Development Authority (CWRPDA) for a principal amount of \$13,130,000, in order to provide the matching funds required for the FEMA grant which involves reconstruction of the Tarn Dam for the purpose of flood control. The loan has a 2.0% interest rate and is payable in annual payments beginning on August 1, 2023, with a maturity date of August 1, 2053.

The annual debt service requirements for the 2022 CWRPDA are as follows:

<u>Year Ended December 31,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2025	\$ 323,653	\$ 262,600	\$ 586,253
2026	330,127	256,127	586,254
2027	336,729	249,524	586,253
2028	343,464	242,790	586,254
2029	350,333	235,921	586,254
2030 - 2034	1,859,610	1,071,658	2,931,268
2035 - 2039	2,053,159	878,108	2,931,267
2040 - 2044	2,266,854	664,414	2,931,268
2045 - 2049	2,502,790	428,478	2,931,268
2050 - 2052	<u>2,763,281</u>	<u>167,984</u>	<u>2,931,265</u>
Total	<u>\$ 13,130,000</u>	<u>\$ 4,457,604</u>	<u>\$ 17,587,604</u>

**Town of Breckenridge, Colorado**  
Notes to Financial Statements  
December 31, 2024

**Note 6: Long-Term Debt** (Continued)

**Business-Type Activities** (Continued)

**Financed Purchase**

In June 2021, the Town entered into a financed purchase agreement for \$213,885 for the purchase of golf carts for use at the Town's golf course. The financed purchase term is 48 months, maturing in May 2025 with monthly principal and interest payments of \$4,852. Interest accrues at 4.23% per year.

Following is a schedule of the future payments under this financed purchase and the present value of the financed purchase payments at December 31, 2024:

<u>Year Ended December 31,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2025	\$ 24,004	\$ 255	\$ 24,259
Total	\$ 24,004	\$ 255	\$ 24,259

**Discretely Presented Component Unit**

Pinewood 2 LLLP has a note payable to the Town, related to an affordable housing project known as Pinewood 2. A bridge loan was issued in 2016 for \$3.37 million at 0.75% interest and retired with a payment in full through the refinancing process in 2017. The outstanding note payable was refinanced in 2017, converting the construction loan to a permanent financing loan, with interest only payments made from available cash flow at a rate of 2.50% annually, excess interest added to the principal balance, and the principal balance due at maturity, April 30, 2057. Loan balance as of December 31, 2022, was \$6,012,385 million at 2.5% interest. Payments are made annually from available cash flow.

**Note 7: Interfund Balances and Transfers**

It is the Town's policy to report all sales, accommodations and real estate transfer taxes into the General Fund and then distribute these receipts to the other funds for operating purposes. As the Town funds its capital projects during the year, through the Capital Fund, the Town transfers the Conservation Trust proceeds to the Capital Fund as allowed projects are completed.

**Town of Breckenridge, Colorado**  
**Notes to Financial Statements**  
**December 31, 2024**

**Note 7: Interfund Balances and Transfers (Continued)**

During the year ended December 31, 2024, the Town made the following transfers:

Transfers Out	Transfers In:						Total
	General	Capital Projects	Special Revenue Funds			Internal Service	
			Housing	Golf	Utility		
General Fund	\$ -	\$ 22,400,000	\$ 17,612,574	\$ -	\$ -	\$ -	\$ 40,012,574
Capital Projects	-	-	-	-	-	366,943	366,943
Affordable Housing	15,408	-	-	-	2,219,000	-	2,234,408
Open Space	100,000	16,333	-	13,661	19,000	-	148,994
Conservation Trust	-	60,570	-	-	-	-	60,570
Accommodation Unit Compliance Trust	-	-	6,915,808	-	-	-	6,915,808
Internal Services	280,000	-	-	174,703	166,913	-	621,616
Marketing	9,313	-	-	-	-	-	9,313
Golf Course	40,662	-	-	-	-	-	40,662
<b>Total</b>	<b>\$ 445,383</b>	<b>\$ 22,476,903</b>	<b>\$ 24,528,382</b>	<b>\$ 188,364</b>	<b>\$ 2,404,913</b>	<b>\$ 366,943</b>	<b>\$ 50,410,888</b>

**Note 8: Retirement Commitments**

**Money Purchase Pension Plan**

The Town provides pension benefits for its employees through a defined contribution money purchase plan. The plan is administered by the ICMA Retirement Corporation. Covered employees are required to participate in the plan from the date of employment and are fully vested after six years of continuous service. The plan provisions can be modified by the Town Council. The Town contributes an amount equal to 7% or 9% of the covered employee's salary each month, depending upon the employee's length of full-time regular employment with the Town. During the year ended December 31, 2024, contributions totaled \$1,444,195. The Town has no liability for this plan beyond its current annual contribution.

**Deferred Compensation Plan**

Pursuant to GASB Statement No. 32: *Accounting and Financial Reporting for Internal Revenue Code Section 457 Deferred Compensation Plans*, the Town established a trust to hold the assets of its Deferred Compensation Plan, and modified the plan document to state that the plan is *held in trust for the exclusive benefit of participants and their beneficiaries*. As such the plan's assets are no longer the property and rights of the Town and are not reflected in the financial statements of the Town.

**Town of Breckenridge, Colorado**  
Notes to Financial Statements  
December 31, 2024

**Note 9: Commitments and Contingencies**

**Claims and Judgments**

The Town participates in a number of federal and state programs that are fully or partially funded by grants received from other governmental entities. Expenditures financed by grants are subject to audit by the appropriate grantor government. If expenditures are disallowed due to noncompliance with grant program regulations, the Town may be required to reimburse the grantor government. At December 31, 2024, significant amounts of grant expenditures have not been audited but management believes that disallowed expenditures, if any, based on subsequent audits will not have a material effect on the overall financial position of the Town.

**TABOR Amendment**

Colorado voters passed an amendment to the State Constitution, Article X, Section 20, which has several limitations, including revenue raising, spending abilities, and other specific requirements of state and local governments. On April 5, 1994, voters within the Town approved the collection, retention and expenditure of the full revenues generated by the Town in 1994 and subsequent years, notwithstanding the provisions of the Amendment. The Amendment is complex and subject to judicial interpretation. The Town believes it is in substantial compliance with the requirements of the Amendment. However, the Town has made certain interpretations to determine compliance with the Amendment. The Town has established an emergency reserve, representing 3% of qualifying expenditures, as required by the Amendment.

**Litigation**

The Town is involved in various pending or threatened litigation. The outcome of the litigation cannot be predicted at this time. However, management does not believe the outcome will have a significant effect on the Town's financial position.

**Subsequent Year Commitments**

As of December 31, 2024, the Town had unexpended commitments that were rolled over into the 2025 budget in the amount of \$1,444,274 in the General Fund.

**Note 10: Risk Management**

**Colorado Intergovernmental Risk Sharing Agency**

The Town is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; and natural disasters. For these risks of loss, the Town is involved with the Colorado Intergovernmental Risk Sharing Agency (CIRSA), a separate and independent governmental and legal entity formed by intergovernmental agreement by member municipalities pursuant to the provision of 24-10-115.5, Colorado Revised Statutes (1982 Replacement Volume) and Colorado Constitution, Article XIV, Section 18(2).

# Town of Breckenridge, Colorado

## Notes to Financial Statements

December 31, 2024

### Note 10: Risk Management (Continued)

#### Colorado Intergovernmental Risk Sharing Agency (Continued)

The purposes of CIRSA are to provide members with defined liability, property, and workers compensation coverage and to assist members in preventing and reducing losses and injuries to municipal property and to persons or property which might result in claims being made against members of CIRSA, their employees and officers.

It is the intent of the members of CIRSA to create an entity in perpetuity which will administer and use funds contributed by the members to defend and indemnify, in accordance with the bylaws, any member of CIRSA against stated liability of loss, to the limit of the financial resources of CIRSA. It is also the intent of the members to have CIRSA provide continuing stability and availability of needed coverage at reasonable costs. All income and assets of CIRSA shall be at all times dedicated to the exclusive benefit of its members. CIRSA is a separate legal entity, and the Town does not approve budgets, nor does it have the ability to significantly affect the operations of the unit.

The amounts of settlements have not exceeded insurance coverage in the past three years, nor were there any significant changes in insurance coverage. The Town carries commercial insurance for workers compensation coverage.

#### Self-Insurance

The Town partially self-insures its medical and dental insurance claims. The Town provides coverage of up to \$80,000 per employee and a total stop loss of 125% of the prior year claims. The Town carries commercial insurance for all claims in excess of that amount.

A summary of the Town's self-insured claims and liability is as follows:

Claims Payable, December 31, 2022	\$	19,912
Claims Incurred and Adjustments		5,299,217
Claims Paid		<u>(5,299,683)</u>
Claims Payable, December 31, 2023		19,446
Claims Incurred and Adjustments		5,885,356
Claims Paid		<u>(5,636,802)</u>
Claims Payable, December 31, 2024	\$	<u>268,000</u>

**Town of Breckenridge, Colorado**  
Notes to Financial Statements  
December 31, 2024

**Note 11: Other Post -Employment Benefits**

**Plan Description**

The Town provides a single employer defined benefit post-employment health care plan that covers eligible retired employees of the Town. An employee is eligible for retiree coverage when he or she has reached a minimum age of 55 years and satisfies one of the following:

- For continuous employment, the employee has been employed by the Town for a minimum of 15 years on a regular full-time basis; or
- For non-continuous employment, the employees have been employed by the Town in aggregate a minimum of 15 years on a regular full-time basis. Any period of unemployment with the Town shall not exceed five years at any one time.

The Town follows the Rule of 70 which enables an employee to retire as early as age 55, and with a minimum of 15 years of regular full-time employment, without a benefit reduction, provided the combined credited service and age at termination equals or exceeds the sum of 70. If an employee would have qualified for the Rule of 70 prior to July 1, 2016, they will be permitted to participate in the employer's retiree coverage.

The spouse of a covered employee is eligible for retiree coverage on the same date the covered employee qualifies for retiree coverage only if the following two criteria are met:

- The spouse was covered under the Town's medical plan immediately prior to the employee becoming eligible for retiree coverage (regardless of whether the employee is enrolled in Medicare at the time of retirement); and
- He/she has been the employee's spouse (including common law or domestic partner if appropriate documents and affidavits are provided) for at least two years.

In the event the employee and spouse meet the retiree medical plan benefit eligibility criteria, but the employee dies before retiring, the surviving spouse will maintain his/her eligibility rights to retiree coverage, if timely elected. All other retiree medical plan provisions will apply.

The General Fund typically has been used in prior years to liquidate the OPEB liabilities.

**Benefits Provided**

Retirees are eligible for medical and dental benefits. Health care coverage is provided through one of two self-insured medical plans, a Health Reimbursement Arrange Plan (HRA) or a Health Savings Account (HSA).

# Town of Breckenridge, Colorado

## Notes to Financial Statements

December 31, 2024

### Note 11: Other Post -Employment Benefits (Continued)

#### Contributions

Retiree premiums for the medical and dental program in 2024 are shown below. The rates are the same for the HRA and HSA plans. Retirees pay the same rates as actives.

<u>Coverage Category</u>	<u>Medical</u>	<u>Dental</u>
Retire Only	\$ 112.77	\$ 22.88
Retire + Spouse	\$ 240.97	\$ 43.12
Retire + Child(ren)	\$ 220.00	\$ 58.12
Retire + Family	\$ 345.00	\$ 73.47

#### Employees Covered by Benefit Terms

As of December 31, 2024, the number of active and inactive employees covered by the plan was as follows. The count of retirees does not include spouses unless covered as spouse only. The count of active employees does not include COBRA continues or employees who waived medical coverage.

Retired Employees Currently Receiving Benefit Payments	9
Active Employees	197
Total	206

#### Total OPEB Liability

The Town's total OPEB liability is \$1,904,513 as of December 31, 2024 and was determined by an actuarial valuation as of that date.

#### Actuarial Methods and Assumptions

The total OPEB liability in the December 31, 2024, actuarial valuation was determined using the following actuarial assumptions and other inputs, applied to all periods included in the measurement, unless otherwise specified:

Inflation	3.0% per year
Salary Increases	4.50%
Discount Rate	4.06%
Healthcare Cost Trend Rates	6.23 percent for 2024, decreasing 0.1 percent per year to an ultimate rate of 4.62 percent for 2030 and future years
Retirees' share of benefit-Related Costs	15.0 percent of projected health insurance premiums for retirees

# Town of Breckenridge, Colorado

## Notes to Financial Statements

December 31, 2024

### Note 11: Other Post -Employment Benefits (Continued)

#### Actuarial Methods and Assumptions (Continued)

The discount rate was based on S&P Municipal Bond 20-year High Grade Rate Index as of December 31, 2022.

Mortality rates were based on the RP-2000 Healthy Annuitant Mortality Table for Males or Females, as appropriate, with adjustments for mortality improvements based on Scale BB.

The actuarial assumptions used in the December 31, 2022 valuation were based on the results of an actuarial experience study for the period January 1, 2023 - December 31, 2024.

#### Changes in the Total OPEB Liability

Balance at December 31, 2023	\$ 1,532,489
Changes During the Year:	
Service Cost	198,734
Interest	58,235
Difference Between Expected and Actual Experience	(240,339)
Change of Assumption or Other Inputs	425,013
Employer Contributions	(69,619)
Net Changes	372,024
Balance at December 31, 2024	\$ 1,904,513

Changes of assumptions and other inputs reflect a change in the discount rate, participation rate, retirement and termination rates, medical and dental trend, payroll trend and excise tax, as further presented below:

<u>Assumption</u>	<u>Description of Change</u>	<u>Impact on Liability</u>
Discount Rate	Increased from 4.00% to 4.06%	\$ (5,762)
Participation Rate	Retiree participation increased from 51% to 55%	32,442
	Spouse participation reduced from 49% to 44%	
Mortality Rate	Updated to reflect recent public employer mortality	1,892
Termination Rate	Updated to reflect recent public employer valuation	45,969
Retirement Rate	Updated to reflect recent public employer valuation	267,238
Medical and Dental Trend	Updated based on industry trend study	48,531
Payroll Trend	Decreased from 5.0% to 4.5%, provided by Town	34,703
Total Impact		\$ 425,013

## Town of Breckenridge, Colorado

### Notes to Financial Statements

December 31, 2024

#### Note 11: Other Post -Employment Benefits (Continued)

##### **Sensitivity of the Total OPEB Liability to Changes in the Discount Rate**

The following presents the total OPEB liability of the Town, as well as what the Town's total OPEB liability would be if it were calculated using a discount rate that is 1-percentage-point lower (3.06%) or 1-percentage-point higher (5.06%) than the current discount rate:

	1% Decrease (3.06%)	Current Discount Rate (4.06%)	1% Increase (5.06%)
Total OPEB Liability	\$ <u>2,055,497</u>	\$ <u>1,904,513</u>	\$ <u>1,765,139</u>

##### **Sensitivity of the Total OPEB Liability to Changes in the Healthcare Cost Trend Rates**

The following presents the total OPEB liability of the Town, as well as what the Town's total OPEB liability would be if it were calculated using healthcare cost trend rates that is 1-percentage-point lower (5.2%) or 1-percentage-point higher (7.2%) than the current healthcare cost trend rates:

	1% Decrease (5.2%)	Current Trend Rate (6.2%)	1% Increase (7.2%)
Total OPEB Liability	\$ <u>1,711,297</u>	\$ <u>1,904,513</u>	\$ <u>2,130,785</u>

##### **OPEB Expense, Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB**

For the year ended December 31, 2024, the Town recognized negative OPEB expense of \$238,944. At December 31, 2024, the Town reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 457,138	\$ 385,384
Changes in assumptions and other inputs	<u>304,505</u>	<u>124,189</u>
Total	\$ <u>761,643</u>	\$ <u>509,573</u>

**Town of Breckenridge, Colorado**  
Notes to Financial Statements  
December 31, 2024

**Note 11: Other Post -Employment Benefits (Continued)**

**OPEB Expense, Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB** (Continued)

Amounts reported as deferred outflows of resources and deferred inflows of resources relate to OPEB will be recognized in OPEB expense as follows:

<u>Year Ended December 31,</u>		
2025	\$	47,508
2026		47,508
2027		47,508
2028		47,508
2029		47,508
Thereafter		<u>14,530</u>
Total	\$	<u><u>252,070</u></u>

## **Required Supplementary Information**

**Town of Breckenridge, Colorado**  
 Budgetary Comparison Schedule  
 General Fund  
 For the Year Ended December 31, 2024

	Original Budget	Final Budget	Actual	Variance Positive (Negative)
<b>Revenues</b>				
Taxes:				
Property Taxes	\$ 5,318,675	\$ 5,318,675	\$ 5,043,598	\$ (275,077)
Specific Ownership Taxes	160,000	160,000	198,886	38,886
Sales Taxes	35,700,000	35,700,000	39,635,663	3,935,663
Accommodations Taxes	6,000,000	6,000,000	6,119,752	119,752
Marijuana Taxes	628,000	628,000	446,174	(181,826)
Franchise Taxes	1,113,790	1,113,790	1,086,425	(27,365)
Real Estate Transfer Taxes	5,000,000	5,000,000	7,420,538	2,420,538
Lift Ticket Taxes	4,284,281	4,284,281	4,324,466	40,185
Other Taxes	44,000	44,000	45,072	1,072
Interest on Taxes	7,000	7,000	10,132	3,132
Total Taxes	<u>58,255,746</u>	<u>58,255,746</u>	<u>64,330,706</u>	<u>6,074,960</u>
Licenses and Permits				
Liquor Licenses and Fees	30,000	30,000	22,114	(7,886)
Animal Licenses	750	750	585	(165)
Street Cut Permits	30,000	30,000	29,999	(1)
Building Inspection Permits	455,000	455,000	610,415	155,415
Electrical Inspection Permits	42,000	42,000	64,213	22,213
Plumbing and Mechanical Permits	90,000	90,000	143,991	53,991
Parking Permits	170,000	170,000	156,000	(14,000)
Miscellaneous Licenses and Permits	786,200	786,200	883,282	97,082
Total Licenses and Permits	<u>1,603,950</u>	<u>1,603,950</u>	<u>1,910,599</u>	<u>306,649</u>
Intergovernmental				
Motor Vehicle Fees	27,999	27,999	22,179	(5,820)
Highway Users	243,664	243,664	281,421	37,757
Road and Bridge Levy	292,180	292,180	295,808	3,628
Grants	595,200	595,200	640,772	45,572
Other	508,822	508,822	565,954	57,132
Total Intergovernmental	<u>1,667,865</u>	<u>1,667,865</u>	<u>1,806,134</u>	<u>138,269</u>
Charges for Services				
Building Plan Review	350,000	350,000	482,503	132,503
Class A, B, C and D Fees	169,273	169,273	242,608	73,335
Recreation Fees and Contributions	5,619,197	5,619,197	6,757,559	1,138,362
Sales of Publication	2,200	2,200	1,242	(958)
Other Planning Fees	1,220	1,220	-	(1,220)
Parking Fees	2,518,700	2,518,700	2,824,293	305,593
Administration Fees	8,400	8,400	11,266	2,866
Rental Income	214,735	214,735	203,627	(11,108)
Other Charges	1,532,015	1,532,015	1,672,617	140,602
Total Charges for Services	<u>10,415,740</u>	<u>10,415,740</u>	<u>12,195,715</u>	<u>1,779,975</u>

(Continued)

See Accompanying Independent Auditor's Report.

**Town of Breckenridge, Colorado**  
 Budgetary Comparison Schedule  
 General Fund  
 For the Year Ended December 31, 2024  
 (Continued)

	Original Budget	Final Budget	Actual	Variance Positive (Negative)
<b>Revenues (Continued)</b>				
Fines and Forfeitures				
Court Costs	15,000	15,000	3,643	(11,357)
Dog Fines	1,000	1,000	1,754	754
Parking Citations	1,100,000	1,100,000	1,064,536	(35,464)
Traffic Citations	60,000	60,000	19,232	(40,768)
Penal Fines	61,550	61,550	29,512	(32,038)
Other Fines	10,800	10,800	14,963	4,163
Total Fines and Forfeits	<u>1,248,350</u>	<u>1,248,350</u>	<u>1,133,640</u>	<u>(114,710)</u>
Investment Earnings	<u>1,913,174</u>	<u>1,913,174</u>	<u>3,519,203</u>	<u>1,606,029</u>
Other Revenue				
Insurance Recoveries	-	-	87,173	87,173
Reimbursement of Expenditures	96,564	96,564	115,452	18,888
Contributions and Donations	-	-	2,120	2,120
Other	46,072	46,072	45,795	(277)
Total Other Revenue	<u>142,636</u>	<u>142,636</u>	<u>250,540</u>	<u>107,904</u>
Total Revenue	<u>75,247,461</u>	<u>75,247,461</u>	<u>85,146,537</u>	<u>9,899,076</u>
<b>Expenditures</b>				
Current				
General Government				
Legislative	365,893	365,893	312,222	53,671
Committees	125,000	125,000	96,545	28,455
Judicial	220,193	220,193	201,929	18,264
Legal	445,942	445,942	350,894	95,048
Executive and Management	2,619,643	2,619,643	2,641,889	(22,246)
Town Clerk	529,003	529,003	505,295	23,708
Finance	1,395,039	1,395,039	1,397,243	(2,204)
Other Expenditures	575,626	635,626	505,905	129,721
Total General Government	<u>6,276,339</u>	<u>6,336,339</u>	<u>6,011,922</u>	<u>324,417</u>
Public Safety				
Police Services	<u>6,890,174</u>	<u>6,890,174</u>	<u>6,995,194</u>	<u>(105,020)</u>

(Continued)

See Accompanying Independent Auditor's Report.

**Town of Breckenridge, Colorado**  
 Budgetary Comparison Schedule  
 General Fund  
 For the Year Ended December 31, 2024  
 (Continued)

	Original Budget	Final Budget	Actual	Variance Positive (Negative)
<b>Expenditures (Continued)</b>				
Public Works				
General Services	804,338	804,338	745,721	58,617
Street and Parks	6,718,504	6,718,504	6,774,214	(55,710)
Facilities Maintenance	2,725,816	2,725,816	2,406,994	318,822
Engineering and Construction	889,466	1,577,677	1,422,068	155,609
Public Transportation	9,336,989	9,336,989	9,069,327	267,662
Total Public Works	<u>20,475,113</u>	<u>21,163,324</u>	<u>20,418,324</u>	<u>745,000</u>
Community Development				
Planning Services	1,511,146	1,511,146	1,447,047	64,099
Building Services	712,934	712,934	708,783	4,151
Other Community Development	2,107,212	2,107,212	2,217,510	(110,298)
Special Projects	825,000	825,000	825,000	-
Child Care	479,812	1,229,812	1,235,456	(5,644)
Total Community Development	<u>5,636,104</u>	<u>6,386,104</u>	<u>6,433,796</u>	<u>(47,692)</u>
Culture and Recreation				
Recreation Programs	<u>10,769,783</u>	<u>10,769,783</u>	<u>10,454,390</u>	<u>315,393</u>
Grants to Other Agencies	<u>1,751,420</u>	<u>1,751,420</u>	<u>1,935,844</u>	<u>(184,424)</u>
Capital Outlay	<u>330,000</u>	<u>330,000</u>	<u>330,000</u>	<u>-</u>
Debt Service				
Principal	1,740,000	1,740,000	1,740,000	-
Interest	1,553,025	1,553,025	1,556,775	(3,750)
	<u>3,293,025</u>	<u>3,293,025</u>	<u>3,296,775</u>	<u>(3,750)</u>
Total Expenditures	<u>55,421,958</u>	<u>56,920,169</u>	<u>55,876,245</u>	<u>1,043,924</u>
<b>Excess Revenues Over (Under)</b>				
<b>Expenditures</b>	<u>19,825,503</u>	<u>18,327,292</u>	<u>29,270,292</u>	<u>10,943,000</u>
<b>Other Financing Sources (Uses)</b>				
Transfers In	28,248,070	28,598,070	28,887,383	289,313
Transfers Out	(53,567,422)	(68,454,574)	(68,454,574)	-
Total Other Financing Sources (Uses)	<u>(25,319,352)</u>	<u>(39,856,504)</u>	<u>(39,567,191)</u>	<u>289,313</u>
<b>Change in Fund Balance</b>	(5,493,849)	(21,529,212)	(10,296,899)	11,232,313
<b>Fund Balance, Beginning of Year</b>	<u>98,873,555</u>	<u>98,873,555</u>	<u>105,973,512</u>	<u>7,099,957</u>
<b>Fund Balance, End of Year</b>	<u>\$ 93,379,706</u>	<u>\$ 77,344,343</u>	<u>\$ 95,676,613</u>	<u>\$ 18,332,270</u>

See Accompanying Independent Auditor's Report.

**Town of Breckenridge, Colorado**  
 Budgetary Comparison Schedule  
 Workforce Housing Fund  
 For the Year Ended December 31, 2024

	Original Budget	Final Budget	Actual	Variance Positive (Negative)
<b>Revenues</b>				
Taxes	\$ 6,978,263	\$ 5,978,263	\$ 5,879,936	\$ (98,327)
Intergovernmental	750,000	750,000	737,303	(12,697)
Charges for Services	2,640,454	2,474,750	2,869,779	395,029
Investment Earnings	617,719	617,719	909,575	291,856
Other Revenue	152,464	352,902	352,166	(736)
<b>Total Revenues</b>	<u>11,138,900</u>	<u>10,173,634</u>	<u>10,748,759</u>	<u>575,125</u>
<b>Expenditures</b>				
Current				
Culture and Recreation	19,291,086	25,804,086	25,027,413	776,673
Debt Service				
Principal Payments	1,235,000	1,235,000	1,235,000	-
Interest Payments	1,471,150	1,471,150	1,471,150	-
<b>Total Expenditures</b>	<u>21,997,236</u>	<u>28,510,236</u>	<u>27,733,563</u>	<u>776,673</u>
<b>Excess Revenues Over (Under) Expenditures</b>	(10,858,336)	(18,336,602)	(16,984,804)	1,351,798
<b>Other Financing Sources (Uses)</b>				
Transfers In	10,607,230	24,644,382	24,528,382	(116,000)
Transfers Out	(2,234,408)	(2,234,408)	(2,234,408)	-
<b>Total Other Financing Sources (Uses)</b>	<u>8,372,822</u>	<u>22,409,974</u>	<u>22,293,974</u>	<u>(116,000)</u>
<b>Net Change in Fund Balance</b>	(2,485,514)	4,073,372	5,309,170	1,235,798
<b>Fund Balance, Beginning of Year</b>	<u>25,637,864</u>	<u>25,637,864</u>	<u>25,637,864</u>	<u>-</u>
<b>Fund Balance, End of Year</b>	<u>\$ 23,152,350</u>	<u>\$ 29,711,236</u>	<u>\$ 30,947,034</u>	<u>\$ 1,235,798</u>

See Accompanying Independent Auditor's Report.

**Town of Breckenridge, Colorado**  
 Budgetary Comparison Schedule  
 Accommodation Unit Compliance Fund  
 For the Year Ended December 31, 2024

	Original and Final Budget	Actual	Variance <i>Positive</i> <i>(Negative)</i>
<b>Revenues</b>			
Charges for Services	\$ 7,254,576	\$ 7,108,818	\$ (145,758)
Investment Earnings	1,952	7,734	5,782
Total Revenues	7,256,528	7,116,552	(139,976)
<b>Expenditures</b>			
Current			
General Government	454,871	452,893	1,978
	454,871	452,893	1,978
<b>Excess of Revenues Over (Under) Expenditure</b>	6,801,657	6,663,659	(137,998)
<b>Other Financing Sources (Uses)</b>			
Transfers Out	(7,031,808)	(6,915,808)	(116,000)
Total Other Financing Sources (Uses)	(7,031,808)	(6,915,808)	(116,000)
<b>Net Change in Fund Balance</b>	(230,151)	(252,149)	(253,998)
<b>Fund Balance, Beginning of Year</b>	252,417	252,417	-
<b>Fund Balance, End of Year</b>	\$ 22,266	\$ 268	\$ (253,998)

See Accompanying Independent Auditor's Report.

**Town of Breckenridge, Colorado**  
 Required Supplementary Information  
 Schedule of Changes in the Total OPEB Liability and Related Ratios - Last Ten Years  
 For the Year Ended December 31, 2024

	2024	2023	2022	2021
<b>Total OPEB Liability</b>				
Service Cost	\$ 198,734	\$ 112,718	\$ 108,145	\$ 117,494
Interest on Total OPEB Liability	58,235	60,318	62,855	34,076
Difference between Expected and Actual Experience	(240,339)	(112,981)	112,202	(41,564)
Change in Assumptions or Other Inputs	425,013	33,004	(168,778)	(37,201)
Employer Contribution	(69,619)	(68,532)	(64,824)	(128,922)
<b>Net Change in OPEB Liability</b>	372,024	24,527	49,600	(56,117)
<b>Total OPEB Liability - Beginning of Year</b>	1,532,489	1,507,962	1,458,362	1,514,479
<b>Total OPEB Liability - End of Year</b>	\$ 1,904,513	\$ 1,532,489	\$ 1,507,962	\$ 1,458,362
City's Covered-employee Payroll	\$ 18,735,544	\$ 16,618,938	\$ 15,827,560	\$ 12,219,719
Total OPEB Liability as a Percentage of Covered-employee Payroll	10.2%	9.2%	9.5%	11.9%

Note: There are no assets accumulated in a trust to pay related benefits for the OPEB plan.

This schedule is presented to show information for 10 years. Until information for the full 10-year period is available, information will be presented for the years information is available.

*(Continued)*

**Town of Breckenridge, Colorado**  
 Required Supplementary Information  
 Schedule of Changes in the Total OPEB Liability and Related Ratios - Last Ten Years  
 For the Year Ended December 31, 2024  
 (Continued)

	2020	2019	2018
<b>Total OPEB Liability</b>			
Service Cost	\$ 126,782	\$ 68,527	\$ 71,686
Interest on Total OPEB Liability	17,451	30,163	40,237
Difference between Expected and Actual Experience	366,468	59,687	50,006
Change in Assumptions or Other Inputs	220,756	(20,641)	(192,711)
Employer Contribution	(121,167)	(158,791)	(149,380)
<b>Net Change in OPEB Liability</b>	610,290	(21,055)	(180,162)
<b>Total OPEB Liability - Beginning of Year</b>	904,189	925,244	1,105,406
<b>Total OPEB Liability - End of Year</b>	\$ 1,514,479	\$ 904,189	\$ 925,244
City's Covered-employee Payroll	\$ 11,637,828	\$ 11,668,453	\$ 11,668,453
Total OPEB Liability as a Percentage of Covered-employee Payroll	13.0%	7.7%	7.9%

Note: There are no assets accumulated in a trust to pay related benefits for the OPEB plan.

This schedule is presented to show information for 10 years. Until information for the full 10-year period is available, information will be presented for the years information is available.

**Town of Breckenridge, Colorado**  
Notes to Required Supplementary Information  
December 31, 2024

**Note 1: Stewardship, Compliance and Accountability**

**Budgetary Accounting**

Budgets are adopted for all funds of the Town in accordance with State statutes. Fiduciary fund budgets are not required and have not been presented in the financial statements. Budgets for the governmental funds are adopted on a basis consistent with generally accepted accounting principles (GAAP). Budgetary comparisons for the enterprise funds are presented on a non-GAAP budgetary basis. Capital outlay and debt principle are budgeted as expenditures, but depreciation and amortization are not budgeted.

The Town follows these procedures to establish the budgetary information reflected in the financial statements:

- In October, management submits to the Town Council a proposed operating budget for the fiscal year commencing the following January 1. The operating budget includes proposed expenditures and the means of financing them.
- Public hearings are conducted to obtain taxpayer comments.
- Prior to December 31, the budget is legally adopted through passage of an ordinance.
- Management is authorized to transfer budgeted amounts between departments within any fund. However, any revisions that alter the total expenditures of any fund must be approved by the Town Council.
- All appropriations lapse at year end.

## Supplementary Information

**Town of Breckenridge, Colorado**  
Combining Schedule  
Combining Balance Sheet  
Nonmajor Governmental Funds  
December 31, 2024

	Special Revenue Funds			
	Open Space Acquisition Fund	Marketing Fund	Conservation Trust Fund	Totals
<b>Assets</b>				
Cash	\$ 6,214,245	\$ 8,124,890	\$ 23,804	\$ 14,362,939
Receivables				
Taxes Receivables	620,131	704,863	-	1,324,994
Accounts Receivable	15,209	-	-	15,209
Total Assets	\$ 6,849,585	\$ 8,829,753	\$ 23,804	\$ 15,703,142
<b>Liabilities</b>				
Accounts Payable	\$ 124,783	\$ 23,181	\$ -	\$ 147,964
Accrued Salaries	16,942	12,398	-	29,340
Total Liabilities	141,725	35,579	-	177,304
<b>Fund Balances</b>				
Restricted for				
Parks and Recreation	-	-	23,804	23,804
Open Space	6,707,860	-	-	6,707,860
Committed to				
Marketing	-	8,794,174	-	8,794,174
Total Fund Balances	6,707,860	8,794,174	23,804	15,525,838
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	\$ 6,849,585	\$ 8,829,753	\$ 23,804	\$ 15,703,142

See Accompanying Independent Auditor's Report.

**Town of Breckenridge, Colorado**  
Combining Schedule  
Combining Statement of Revenues, Expenditures and Changes in Fund Balances  
Nonmajor Governmental Funds  
For the Year Ended December 31, 2024

	Special Revenue Funds			Totals
	Open Space Acquisition Fund	Marketing Fund	Conservation Trust Fund	
<b>Revenues</b>				
Taxes	\$ 5,293,984	\$ 5,582,069	\$ -	\$ 10,876,053
Licenses and Permits	-	943,936	-	943,936
Intergovernmental	-	-	60,570	60,570
Charges for Services	314,348	-	-	314,348
Investment Earnings	332,648	275,983	765	609,396
Other Revenue	200	-	-	200
Total Revenues	5,941,180	6,801,988	61,335	12,804,503
<b>Expenditures</b>				
Current				
General Government	-	5,711,846	2	5,711,848
Open Space Acquisition	2,161,166	-	-	2,161,166
Capital Outlay	6,278,918	-	-	6,278,918
Total Expenditures	8,440,084	5,711,846	2	14,151,932
<b>Excess of Revenues Over (Under) Expenditures</b>	(2,498,904)	1,090,142	61,333	(1,347,429)
<b>Other Financing Sources (Uses)</b>				
Transfers Out	(148,994)	(9,313)	(60,570)	(218,877)
Total Other Financing Sources (Uses)	(148,994)	(9,313)	(60,570)	(218,877)
<b>Net Change in Fund Balances</b>	(2,647,898)	1,080,829	763	(1,566,306)
<b>Fund Balances, Beginning of Year</b>	9,355,758	7,713,345	23,041	17,092,144
<b>Fund Balances, End of Year</b>	\$ 6,707,860	\$ 8,794,174	\$ 23,804	\$ 15,525,838

See Accompanying Independent Auditor's Report.

**Town of Breckenridge, Colorado**  
 Budgetary Comparison Schedule  
 Open Space Acquisition Fund  
 Nonmajor Governmental Funds  
 For the Year Ended December 31, 2024

	Original Budget	Final Budget	Actual	Variance Positive (Negative)
<b>Revenues</b>				
Taxes	\$ 3,600,000	\$ 3,600,000	\$ 5,293,984	\$ 1,693,984
Charges for Services	217,548	217,548	314,348	96,800
Investment Earnings	199,791	199,791	332,648	132,857
Other	-	-	200	200
<b>Total Revenues</b>	<u>4,017,339</u>	<u>4,017,339</u>	<u>5,941,180</u>	<u>1,923,841</u>
<b>Expenditures</b>				
Current				
Open Space Acquisition	1,820,992	1,820,992	2,161,166	(340,174)
Capital Outlay	2,000,000	7,318,689	6,278,918	1,039,771
<b>Total Expenditures</b>	<u>3,820,992</u>	<u>9,139,681</u>	<u>8,440,084</u>	<u>699,597</u>
<b>Excess of Revenues Over (Under) Expenditures</b>	<u>196,347</u>	<u>(5,122,342)</u>	<u>(2,498,904)</u>	<u>2,623,438</u>
<b>Other Financing Sources (Uses)</b>				
Transfers Out	(143,673)	(143,673)	(148,994)	(5,321)
Total Other Financing Sources (Uses)	<u>(143,673)</u>	<u>(143,673)</u>	<u>(148,994)</u>	<u>(5,321)</u>
<b>Net Change in Fund Balance</b>	52,674	(5,266,015)	(2,647,898)	2,618,117
<b>Fund Balance, Beginning of Year</b>	<u>9,355,758</u>	<u>9,355,758</u>	<u>9,355,758</u>	<u>-</u>
<b>Fund Balance, End of Year</b>	<u>\$ 9,408,432</u>	<u>\$ 4,089,743</u>	<u>\$ 6,707,860</u>	<u>\$ 2,618,117</u>

See Accompanying Independent Auditor's Report.

**Town of Breckenridge, Colorado**  
 Budgetary Comparison Schedule  
 Marketing Fund  
 Nonmajor Governmental Funds  
 For the Year Ended December 31, 2024

	Original and Final Budget	Actual	Variance <i>Positive</i> <i>(Negative)</i>
<b>Revenues</b>			
Taxes	\$ 4,702,000	\$ 5,582,069	\$ 880,069
Licenses and Permits	640,000	943,936	303,936
Investment Income	133,750	275,983	142,233
Total Revenues	5,475,750	6,801,988	1,326,238
<b>Expenditures</b>			
Current			
General Government	5,701,184	5,711,846	(10,662)
Total Expenditures	5,701,184	5,711,846	(10,662)
<b>Excess of Revenues Over (Under) Expenditures</b>	(225,434)	1,090,142	1,315,576
<b>Other Financing Sources (Uses)</b>			
Transfers Out	-	(9,313)	(9,313)
Total Other Financing Sources (Uses)	-	(9,313)	(9,313)
<b>Net Change in Fund Balance</b>	(225,434)	1,080,829	1,306,263
<b>Fund Balance, Beginning of Year</b>	7,713,345	7,713,345	-
<b>Fund Balance, End of Year</b>	\$ 7,487,911	\$ 8,794,174	\$ 1,306,263

See Accompanying Independent Auditor's Report.

**Town of Breckenridge, Colorado**  
 Budgetary Comparison Schedule  
 Conservation Trust Fund  
 Nonmajor Governmental Funds  
 For the Year Ended December 31, 2024

	Original Budget	Final Budget	Actual	Variance <i>Positive</i> <i>(Negative)</i>
<b>Revenues</b>				
Intergovernmental	\$ 55,000	\$ 55,000	\$ 60,570	\$ 5,570
Investment Earnings	437	437	765	328
Total Revenues	<u>55,437</u>	<u>55,437</u>	<u>61,335</u>	<u>5,898</u>
<b>Expenditures</b>				
Current				
General Government	-	-	2	(2)
Total Expenditures	<u>-</u>	<u>-</u>	<u>2</u>	<u>(2)</u>
<b>Excess of Revenues Over (Under) Expenditures</b>	<u>55,437</u>	<u>55,437</u>	<u>61,333</u>	<u>5,896</u>
<b>Other Financing Sources (Uses)</b>				
Transfers Out	(55,000)	(70,000)	(60,570)	9,430
	<u>(55,000)</u>	<u>(70,000)</u>	<u>(60,570)</u>	<u>9,430</u>
<b>Net Change in Fund Balance</b>	437	(14,563)	763	15,326
<b>Fund Balance, Beginning of Year</b>	<u>23,041</u>	<u>23,041</u>	<u>23,041</u>	<u>-</u>
<b>Fund Balance, End of Year</b>	<u>\$ 23,478</u>	<u>\$ 8,478</u>	<u>\$ 23,804</u>	<u>\$ 15,326</u>

See Accompanying Independent Auditor's Report.

**Town of Breckenridge, Colorado**  
 Budgetary Comparison Schedule  
 Capital Projects Fund  
 For the Year Ended December 31, 2024

	Original Budget	Final Budget	Actual	Variance Positive (Negative)
<b>Revenues</b>				
Charges for Services	\$ 271,571	\$ 271,571	\$ 285,756	\$ 14,185
Intergovernmental	300,000	300,000	25,000	(275,000)
Investment Earnings	299,393	299,393	574,136	274,743
Total Revenues	870,964	870,964	884,892	13,928
<b>Expenditures</b>				
Current				
Public Works	7,218,858	7,218,858	7,425,979	(207,121)
Capital Outlay	23,748,247	23,748,247	12,198,329	11,549,918
Total Expenditures	30,967,105	30,967,105	19,624,308	11,342,797
<b>Excess of Revenues Over (Under) Expenditures</b>	(30,096,141)	(30,096,141)	(18,739,416)	11,356,725
<b>Other Financing Sources (Uses)</b>				
Transfers In	21,971,333	22,486,333	22,476,903	(9,430)
Transfers Out	-	-	(366,943)	(366,943)
Total Other Financing Sources (Uses)	21,971,333	22,486,333	22,109,960	(376,373)
<b>Net Change in Fund Balance</b>	(8,124,808)	(7,609,808)	3,370,544	10,980,352
<b>Fund Balance, Beginning of Year</b>	12,141,717	12,141,717	12,141,717	-
<b>Fund Balance, End of Year</b>	\$ 4,016,909	\$ 4,531,909	\$ 15,512,261	\$ 10,980,352

See Accompanying Independent Auditor's Report.

**Town of Breckenridge, Colorado**  
Combining Schedule  
Combining Statement of Net Position  
Nonmajor Proprietary Funds  
December 31, 2024

	Golf Course Fund	Cemetery Fund	Totals
<b>Assets</b>			
<b>Current Assets</b>			
Cash and Investments	\$ 5,255,958	\$ 330,888	\$ 5,586,846
Total Current Assets	5,255,958	330,888	5,586,846
<b>Noncurrent Assets</b>			
Capital Assets			
Not Being Depreciated	4,165,012	-	4,165,012
Being Depreciated, Net of Accumulated Depreciation	5,534,812	-	5,534,812
Total Noncurrent Assets	9,699,824	-	9,699,824
 Total Assets	 14,955,782	 330,888	 15,286,670
<b>Liabilities</b>			
<b>Current Liabilities</b>			
Accounts Payable	92,620	-	92,620
Accrued Salaries	23,450	-	23,450
Total Current Liabilities	116,070	-	116,070
<b>Noncurrent Liabilities</b>			
Accrued Compensated Absences	40,113	-	40,113
Capital Lease Obligations Payable	24,004	-	24,004
Total Noncurrent Liabilities	64,117	-	64,117
 Total Liabilities	 180,187	 -	 180,187
<b>Net Position</b>			
Net Investment in Capital Assets	9,675,820	-	9,675,820
Unrestricted	5,099,775	330,888	5,430,663
 Total Net Position	 \$ 14,775,595	 \$ 330,888	 \$ 15,106,483

See Accompanying Independent Auditor's Report.

**Town of Breckenridge, Colorado**  
Combining Schedule  
Combining Statement of Revenues, Expenditures and Changes in Net Position  
Nonmajor Proprietary Funds  
For the Year Ended December 31, 2024

	Golf Course Fund	Cemetery Fund	Total
<b>Operating Revenues</b>			
Charges for Services	\$ 4,510,749	\$ 40,075	\$ 4,550,824
Total Operating Revenues	<u>4,510,749</u>	<u>40,075</u>	<u>4,550,824</u>
<b>Operating Expenses</b>			
Administration	148,741	13,098	161,839
Depreciation	576,493	-	576,493
Golf Course Maintenance	1,193,894	-	1,193,894
Golf Pro Shop	1,322,442	-	1,322,442
Total Operating Expenses	<u>3,241,570</u>	<u>13,098</u>	<u>3,254,668</u>
<b>Operating Income</b>	<u>1,269,179</u>	<u>26,977</u>	<u>1,296,156</u>
<b>Nonoperating Revenues (Expenses)</b>			
Interest Income	357,703	9,695	367,398
Interest Expense	(2,306)	-	(2,306)
Gain on Sale of Assets	12,000	-	12,000
Total Nonoperating Revenues (Expenses)	<u>367,397</u>	<u>9,695</u>	<u>377,092</u>
<b>Income Before Capital Contributions &amp; Transfers</b>	1,636,576	36,672	1,673,248
<b>Capital Contributions &amp; Transfers</b>			
Transfers In	188,364	-	188,364
Transfers Out	(40,662)	-	(40,662)
Total Capital Contributions & Transfers	<u>147,702</u>	<u>-</u>	<u>147,702</u>
<b>Change in Net Position</b>	1,784,278	36,672	1,820,950
<b>Net Position, Beginning of Year</b>	<u>12,991,317</u>	<u>294,216</u>	<u>13,285,533</u>
<b>Net Position, End of Year</b>	<u>\$ 14,775,595</u>	<u>\$ 330,888</u>	<u>\$ 15,106,483</u>

See Accompanying Independent Auditor's Report.

**Town of Breckenridge, Colorado**  
Combining Schedule  
Combining Statement of Cash Flows  
Nonmajor Proprietary Funds  
For the Year Ended December 31, 2024

	Golf Course Fund	Cemetery Fund	Total
<b>Cash Flows From Operating Activities</b>			
Cash Received from Customers	\$ 4,510,749	\$ 40,075	\$ 4,550,824
Cash Payments to Employees	(1,289,262)	-	(1,289,262)
Cash Payments to Vendors and Suppliers	(1,312,977)	(13,099)	(1,326,076)
Net Cash Provided by Operating Activities	1,908,510	26,976	1,935,486
<b>Cash Flows From Noncapital Financing Activities</b>			
Transfers to Other Funds	91,789	-	91,789
Net Cash Used in Noncapital Financing Activities	91,789	-	91,789
<b>Cash Flows From Capital and Related Financing Activities</b>			
Acquisition and Construction of Capital Assets	(1,088,564)	-	(1,088,564)
Proceeds from Sale of Assets	12,000	-	12,000
Interest Payments on Debt	(2,306)	-	(2,306)
Net Cash Used in Capital and Related Financing Activities	(1,078,870)	-	(1,078,870)
<b>Cash Flows from Investing Activities</b>			
Interest Received	357,703	9,695	367,398
<b>Net Increase (Decrease) in Cash and Cash Equivalents</b>	1,279,132	36,671	1,315,803
<b>Cash and Cash Equivalents, <i>Beginning of Year</i></b>	3,976,826	294,217	4,271,043
<b>Cash and Cash Equivalents, <i>End of Year</i></b>	\$ 5,255,958	\$ 330,888	\$ 5,586,846
<b>Reconciliation of Operating Income to Net Cash Provided by Operating Activities</b>			
Operating Income	\$ 1,269,179	\$ 26,977	\$ 1,296,156
Adjustments to Reconcile Operating Income to Net Cash Provided by Operating Activities			
Depreciation	576,493	-	576,493
Changes in Asset and Liabilities			
Accounts Payable and Accrued Liabilities	67,564	(1)	67,563
Accrued Salaries	5,045	-	5,045
Accrued Compensated Absences	(9,771)	-	(9,771)
Net Cash Provided by Operating Activities	\$ 1,908,510	\$ 26,976	\$ 1,935,486

See Accompanying Independent Auditor's Report.

**Town of Breckenridge, Colorado**  
 Budgetary Comparison Schedule  
 Utility Fund  
 Enterprise Funds  
 For the Year Ended December 31, 2024

	Original Budget	Final Budget	Actual	Variance <i>Positive</i> <i>(Negative)</i>
<b>Revenues</b>				
Charges for Services	\$ 5,960,358	\$ 5,960,358	\$ 7,192,014	\$ 1,231,656
Grant Revenue	-	-	21,347	21,347
Investment Income	1,175,000	1,175,000	1,946,080	771,080
Plant Investment Fees	600,000	600,000	806,301	206,301
Other	230,697	230,697	195,804	(34,893)
Total Revenues	7,966,055	7,966,055	10,161,546	2,195,491
<b>Expenditures</b>				
Administration	4,261,225	4,261,225	3,602,676	658,549
Water Rights Maintenance	130,000	130,000	180,733	(50,733)
Debt Service				
Principal Payments	2,411,000	2,411,000	2,410,999	1
Interest Payments	1,072,910	1,072,910	1,385,812	(312,902)
Capital Outlays	389,000	389,000	39,406	349,594
Total Expenditures	8,264,135	8,264,135	7,619,626	644,509
<b>Revenues Over (Under) Expenditures</b>	(298,080)	(298,080)	2,541,920	2,840,000
<b>Other Financing Sources and Uses and Transfers</b>				
Transfers In	2,238,000	2,404,913	2,404,913	-
<b>Change in Net Position - Budgetary Basis</b>	\$ 1,939,920	\$ 2,106,833	4,946,833	\$ 2,840,000
<b>Adjustments to GAAP Basis</b>				
Capital Outlay			39,406	
Debt Principal Payments			2,410,999	
Depreciation			(3,226,915)	
<b>Change in Net Position, GAAP Basis</b>			\$ 4,170,323	

See Accompanying Independent Auditor's Report.

**Town of Breckenridge, Colorado**  
 Budgetary Comparison Schedule  
 Golf Course Fund  
 Enterprise Funds  
 For the Year Ended December 31, 2024

	Original Budget	Final Budget	Actual	Variance <i>Positive</i> <i>(Negative)</i>
<b>Revenues</b>				
Charges for Services	\$ 4,134,500	\$ 4,134,500	\$ 4,510,749	\$ 376,249
Interest Income	231,764	231,764	357,703	125,939
Other	-	-	-	-
Total Revenues	4,366,264	4,366,264	4,868,452	502,188
<b>Expenditures</b>				
Administration	159,885	159,885	148,741	11,144
Gold Course Maintenance	1,452,212	1,452,212	1,193,894	258,318
Golf Pro Shop	1,317,938	1,317,938	1,322,442	(4,504)
Debt Service				
Principal Payments	55,913	55,913	55,913	-
Interest Payments	5,650	5,650	2,306	3,344
Capital Outlay	904,087	904,087	1,088,562	(184,475)
Total Expenditures	3,895,685	3,895,685	3,811,858	83,827
<b>Revenues Over (Under) Expenditures</b>	470,579	470,579	1,056,594	586,015
<b>Other Financing Sources and Uses and Transfers</b>				
Loss on Sale of Assets	-	-	12,000	12,000
Transfers In	8,340	183,043	188,364	5,321
Transfers Out	(40,662)	(40,662)	(40,662)	-
Total Other Financing Sources and Uses	(32,322)	142,381	159,702	17,321
<b>Change in Net Position - Budgetary Basis</b>	\$ 438,257	\$ 612,960	1,216,296	\$ 603,336
<b>Adjustments to GAAP Basis</b>				
Capital Outlay			1,088,562	
Debt Service Principal			55,913	
Depreciation			(576,493)	
<b>Change in Net Position, GAAP Basis</b>			\$ 1,784,278	

See Accompanying Independent Auditor's Report.

**Town of Breckenridge, Colorado**  
 Budgetary Comparison Schedule  
 Cemetery Fund  
 Enterprise Funds  
 For the Year Ended December 31, 2024

	Original and Final Budget	Actual	Variance <i>Positive</i> <i>(Negative)</i>
<b>Revenues</b>			
Charges for Services	\$ 15,500	\$ 40,075	\$ 24,575
Investment Income	5,036	9,695	4,659
Total Revenues	20,536	49,770	29,234
<b>Expenditures</b>			
Administration	28,600	13,098	15,502
Total Expenditures	28,600	13,098	15,502
<b>Change in Net Position - Budgetary Basis</b>	\$ (8,064)	36,672	\$ 44,736
<b>Adjustments to GAAP Basis</b>			
None		-	
<b>Change in Net Position, GAAP Basis</b>		\$ 36,672	

See Accompanying Independent Auditor's Report.

**Town of Breckenridge, Colorado**  
Combining Schedule  
Combining Statement of Net Position  
Internal Service Funds  
December 31, 2024

	Garage Services Fund	Information Technology Fund	Facility Maintenance Fund	Health Benefit Fund	Totals
<b>Assets</b>					
<b>Current Assets</b>					
Cash	\$ 9,485,606	\$ 1,474,915	\$ 7,013,944	\$ 1,382,680	\$ 19,357,145
Accounts Receivable	148,418	-	-	-	148,418
Total Current Assets	<u>9,634,024</u>	<u>1,474,915</u>	<u>7,013,944</u>	<u>1,382,680</u>	<u>19,505,563</u>
<b>Noncurrent Assets</b>					
Capital Assets					
Being Depreciated, Net of Accumulated Depreciation	9,317,797	111,903	-	-	9,429,700
Total Noncurrent Assets	<u>9,317,797</u>	<u>111,903</u>	<u>-</u>	<u>-</u>	<u>9,429,700</u>
Total Assets	<u>\$ 18,951,821</u>	<u>\$ 1,586,818</u>	<u>\$ 7,013,944</u>	<u>\$ 1,382,680</u>	<u>\$ 28,935,263</u>
<b>Liabilities</b>					
<b>Current Liabilities</b>					
Accounts Payable	\$ 162,808	\$ 24,604	\$ 173,572	\$ -	\$ 360,984
Accrued Liabilities	-	-	-	275,511	275,511
Accrued Salaries	28,056	13,985	-	-	42,041
Capital Lease Obligations, Current Portion	92,147	-	-	-	92,147
Total Current Liabilities	<u>283,011</u>	<u>38,589</u>	<u>173,572</u>	<u>275,511</u>	<u>770,683</u>
<b>Noncurrent Liabilities</b>					
Capital Lease Obligations	1,124,626	-	-	-	1,124,626
Total Noncurrent Liabilities	<u>1,124,626</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,124,626</u>
Total Liabilities	<u>1,407,637</u>	<u>38,589</u>	<u>173,572</u>	<u>275,511</u>	<u>1,895,309</u>
<b>Fund Balances</b>					
Net Investment in Capital Assets	8,101,024	111,903	-	-	8,212,927
Unrestricted	9,443,160	1,436,326	6,840,372	1,107,169	18,827,027
Total Fund Balances	<u>17,544,184</u>	<u>1,548,229</u>	<u>6,840,372</u>	<u>1,107,169</u>	<u>27,039,954</u>
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	<u>\$ 18,951,821</u>	<u>\$ 1,586,818</u>	<u>\$ 7,013,944</u>	<u>\$ 1,382,680</u>	<u>\$ 28,935,263</u>

See Accompanying Independent Auditor's Report.

**Town of Breckenridge, Colorado**  
Combining Schedule  
Combining Statement of Revenues, Expenditures and Changes in Net Position  
Internal Service Funds  
For the Year Ended December 31, 2024

	Garage Services Fund	Information Technology Fund	Facility Maintenance Fund	Health Benefit Fund	Totals
<b>Revenues</b>					
Internal Service Revenue	\$ 4,843,024	\$ 2,009,129	\$ 967,363	\$ 4,175,197	\$ 11,994,713
Charges for Services	19,644	-	168,709	904,485	1,092,838
Intergovernmental	525	-	-	-	525
Insurance Recoveries	117,068	-	-	-	117,068
Reimbursement of Expenses	67,363	-	-	16,545	83,908
Employee Paid Premiums	-	-	-	631,812	631,812
Other Revenue	-	-	-	94,569	94,569
<b>Total Operating Revenues</b>	<u>5,047,624</u>	<u>2,009,129</u>	<u>1,136,072</u>	<u>5,822,608</u>	<u>14,015,433</u>
<b>Expenditures</b>					
Depreciation	1,596,699	72,541	-	-	1,669,240
Health Program	-	-	-	5,885,356	5,885,356
Motor Vehicle Maintenance	2,464,428	-	-	-	2,464,428
Information Systems Maintenance	-	1,886,581	-	-	1,886,581
Facility Maintenance	-	-	140,329	-	140,329
<b>Total Operating Expenditures</b>	<u>4,061,127</u>	<u>1,959,122</u>	<u>140,329</u>	<u>5,885,356</u>	<u>12,045,934</u>
<b>Operating Income</b>	<u>986,497</u>	<u>50,007</u>	<u>995,743</u>	<u>(62,748)</u>	<u>1,969,499</u>
<b>Non-Operating Revenue (Expense)</b>					
Investments Earnings	518,535	56,405	185,722	26,356	787,018
Gain of Sale of Assets	269,251	-	-	-	269,251
Interest Expense	(61,856)	-	-	-	(61,856)
<b>Total Non-Operating Revenue (Expense)</b>	<u>725,930</u>	<u>56,405</u>	<u>185,722</u>	<u>26,356</u>	<u>994,413</u>
<b>Income Before Transfers</b>	1,712,427	106,412	1,181,465	(36,392)	2,963,912
<b>Transfers</b>					
Transfers In	-	-	366,943	-	366,943
Transfers Out	-	(280,000)	(341,616)	-	(621,616)
<b>Total Transfers</b>	<u>-</u>	<u>(280,000)</u>	<u>25,327</u>	<u>-</u>	<u>(254,673)</u>
<b>Change in Net Position</b>	1,712,427	(173,588)	1,206,792	(36,392)	2,709,239
<b>Net Position, Beginning of Year</b>	<u>15,831,757</u>	<u>1,721,817</u>	<u>5,633,580</u>	<u>1,143,561</u>	<u>24,330,715</u>
<b>Net Position, End of Year</b>	<u>\$ 17,544,184</u>	<u>\$ 1,548,229</u>	<u>\$ 6,840,372</u>	<u>\$ 1,107,169</u>	<u>\$ 27,039,954</u>

See Accompanying Independent Auditor's Report.

**Town of Breckenridge, Colorado**  
Combining Schedule  
Combining Statement of Cash Flows  
Internal Service Funds  
For the Year Ended December 31, 2024

	Garage Services Fund	Information Technology Fund	Facility Maintenance Fund	Health Benefit Fund	Totals
<b>Cash Flows From Operating Activities</b>					
Cash Received from Customers	\$ 4,907,753	\$ 2,009,129	\$ 1,136,072	\$ 5,822,608	\$ 13,875,562
Cash Payments to Employees	(577,328)	(322,207)	-	(19,446)	(918,981)
Cash Payments to Vendors and Suppliers	(2,006,022)	(1,613,300)	(3,286)	(5,606,654)	(9,229,262)
Net Cash Provided by Operating Activities	<u>2,324,403</u>	<u>73,622</u>	<u>1,132,786</u>	<u>196,508</u>	<u>3,727,319</u>
<b>Cash Flows From Noncapital Financing Activities</b>					
Transfers from Other Funds	-	-	366,943	-	366,943
Transfers to Other Funds	-	(280,000)	(143,578)	-	(423,578)
Net Cash Used in Noncapital Financing Activities	<u>-</u>	<u>(280,000)</u>	<u>223,365</u>	<u>-</u>	<u>(56,635)</u>
<b>Cash Flows From Capital and Related Financing Activities</b>					
Acquisition and Construction of Capital Assets	(2,475,595)	-	-	-	(2,475,595)
Proceeds from Sale of Assists	439,264	-	-	-	439,264
Principal Payments on Debt	(108,352)	-	-	-	(108,352)
Interest Payments on Debt	(61,856)	-	-	-	(61,856)
Net Cash Used in Capital and Related Financing Activities	<u>(2,206,539)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(2,206,539)</u>
<b>Cash Flows from Investing Activities</b>					
Interest Received	518,535	56,405	185,722	26,356	787,018
<b>Net Increase (Decrease) in Cash and Cash Equivalents</b>	636,399	(149,973)	1,541,873	222,864	2,251,163
<b>Cash and Cash Equivalents, <i>Beginning of Year</i></b>	8,849,207	1,624,888	5,472,071	1,159,816	17,105,982
<b>Cash and Cash Equivalents, <i>End of Year</i></b>	<u>\$ 9,485,606</u>	<u>\$ 1,474,915</u>	<u>\$ 7,013,944</u>	<u>\$ 1,382,680</u>	<u>\$ 19,357,145</u>
<b>Reconciliation of Operating Income to Net Cash Provided by Operating Activities</b>					
Operating Income	\$ 986,497	\$ 50,007	\$ 995,743	\$ (62,748)	\$ 1,969,499
Adjustments to Reconcile Operating Income to Net Cash Provided by Operating Activities					
Depreciation	1,596,699	72,541	-	-	1,669,240
Changes in Asset and Liabilities					
Accounts Receivable	(139,871)	-	-	-	(139,871)
Accounts Payable and Accrued liabilities	(128,631)	(50,480)	137,043	278,702	236,634
Accrued Salaries	9,709	1,554	-	(19,446)	(8,183)
Net Cash Provided by Operating Activities	<u>\$ 2,324,403</u>	<u>\$ 73,622</u>	<u>\$ 1,132,786</u>	<u>\$ 196,508</u>	<u>\$ 3,727,319</u>

See Accompanying Independent Auditor's Report.

**Town of Breckenridge, Colorado**  
 Budgetary Comparison Schedule  
 Garage Services Fund  
 Internal Service Funds  
 For the Year Ended December 31, 2024

	Original and Final Budget	Actual	Variance <i>Positive</i> <i>(Negative)</i>
<b>Operating Revenues</b>			
Internal Service Revenue	\$ 4,843,024	\$ 4,843,024	\$ -
Charges for Services	5,118	19,644	14,526
Intergovernmental	1,369,848	525	(1,369,323)
Other Revenue	182,208	184,431	2,223
Total Operating Revenues	6,400,198	5,047,624	(1,352,574)
<b>Operating Expenses</b>			
Motor Vehicle Maintenance	7,253,868	2,464,428	4,789,440
Capital Outlay	-	2,475,595	(2,475,595)
Total Operating Expenses	7,253,868	4,940,023	2,313,845
<b>Operating Income</b>	(853,670)	107,601	961,271
<b>Non-Operating Revenues (Expenses)</b>			
Investments Earnings	247,908	518,535	270,627
Gain (Loss) on Sale of Assets	516,000	269,251	(246,749)
Interest Expense	(50,056)	(61,856)	(11,800)
Total Non-Operating Revenue (Expenses)	713,852	725,930	12,078
<b>Change in Net Position - Budget Basis</b>	\$ (139,818)	833,531	\$ 973,349
<b>GAAP Basis Adjustments</b>			
Capital Outlay		2,475,595	
Depreciation		(1,596,699)	
Total GAAP Basis Adjustments		878,896	
<b>Change in Net Position - GAAP Basis</b>		1,712,427	
<b>Fund Balance, Beginning of Year</b>		15,831,757	
<b>Fund Balance, End of Year</b>		\$ 17,544,184	

See Accompanying Independent Auditor's Report.

**Town of Breckenridge, Colorado**  
 Budgetary Comparison Schedule  
 Information Technology Fund  
 Internal Service Funds  
 For the Year Ended December 31, 2024

	<u>Original and Final Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>
<b>Operating Revenues</b>			
Internal Service Revenue	\$ 2,009,129	\$ 2,009,129	\$ -
Total Operating Revenues	<u>2,009,129</u>	<u>2,009,129</u>	<u>-</u>
<b>Operating Expenses</b>			
Information Systems Maintenance	<u>2,058,817</u>	<u>1,886,581</u>	<u>172,236</u>
Total Operating Expenses	<u>2,058,817</u>	<u>1,886,581</u>	<u>172,236</u>
<b>Operating Income</b>	(49,688)	122,548	172,236
<b>Non-Operating Revenues (Expenses)</b>			
Investments Earnings	23,571	56,405	32,834
Transfers Out	<u>-</u>	<u>(280,000)</u>	<u>(280,000)</u>
Total Non-Operating Revenue (Expenses)	<u>23,571</u>	<u>(223,595)</u>	<u>(247,166)</u>
<b>Change in Net Position - Budget Basis</b>	<u>\$ (26,117)</u>	<u>(101,047)</u>	<u>\$ (74,930)</u>
<b>GAAP Basis Adjustments</b>			
None		<u>(72,541)</u>	
Total GAAP Basis Adjustments		<u>(72,541)</u>	
<b>Change in Net Position - GAAP Basis</b>		(173,588)	
<b>Fund Balance, Beginning of Year</b>		<u>1,721,817</u>	
<b>Fund Balance, End of Year</b>		<u>\$ 1,548,229</u>	

See Accompanying Independent Auditor's Report.

**Town of Breckenridge, Colorado**  
 Budgetary Comparison Schedule  
 Facility Maintenance Fund  
 Internal Service Funds  
 For the Year Ended December 31, 2024

	<u>Original and Final Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>
<b>Operating Revenues</b>			
Internal Service Revenue	\$ 967,363	\$ 967,363	\$ -
Other Revenue	<u>168,709</u>	<u>168,709</u>	<u>-</u>
Total Operating Revenues	<u>1,136,072</u>	<u>1,136,072</u>	<u>-</u>
<b>Operating Expenses</b>			
Facility Maintenance	<u>1,018,466</u>	<u>140,329</u>	<u>878,137</u>
Total Operating Expenses	<u>1,018,466</u>	<u>140,329</u>	<u>878,137</u>
<b>Operating Income</b>	117,606	995,743	878,137
<b>Non-Operating Revenues (Expenses)</b>			
Investments Earnings	97,112	185,722	88,610
Transfers In	166,913	366,943	200,030
Transfers Out	<u>(166,913)</u>	<u>(341,616)</u>	<u>(174,703)</u>
Total Non-Operating Revenue (Expenses)	<u>97,112</u>	<u>211,049</u>	<u>113,937</u>
<b>Change in Net Position - Budget Basis</b>	<u>\$ 214,718</u>	<u>1,206,792</u>	<u>\$ 992,074</u>
<b>Change in Net Position - GAAP Basis</b>		1,206,792	
<b>Fund Balance, Beginning of Year</b>		<u>5,633,580</u>	
<b>Fund Balance, End of Year</b>		<u>\$ 6,840,372</u>	

See Accompanying Independent Auditor's Report.

**Town of Breckenridge, Colorado**  
 Budgetary Comparison Schedule  
 Health Benefits Fund  
 Internal Service Funds  
 For the Year Ended December 31, 2024

	Original and Final Budget	Actual	Variance <i>Positive</i> <i>(Negative)</i>
<b>Operating Revenues</b>			
Internal Service Revenue	\$ 4,175,197	\$ 4,175,197	\$ -
Charges for Services	400,000	904,485	504,485
Employee Paid Premiums	678,735	631,812	(46,923)
Reimbursement of Expenditures	10,000	16,545	6,545
Other Revenue	2,000	94,569	92,569
Total Operating Revenues	5,265,932	5,822,608	556,676
<b>Operating Expenses</b>			
Health Program	5,200,000	5,885,356	(685,356)
Total Expenditures	5,200,000	5,885,356	(685,356)
<b>Operating Income</b>	65,932	(62,748)	(128,680)
<b>Non-Operating Revenue (Expense)</b>			
Investment Earnings	20,320	26,356	6,036
<b>Net Change in Fund Balance</b>	86,252	(36,392)	(122,644)
<b>Fund Balance, Beginning of Year</b>	1,143,561	1,143,561	-
<b>Fund Balance, End of Year</b>	\$ 1,229,813	\$ 1,107,169	\$ (122,644)

See Accompanying Independent Auditor's Report.

## **Statistical Section**

**Town of Breckenridge, Colorado**  
**Statistical Section**  
Table of Contents  
December 31, 2024

**Financial Trends**

These schedules contain trend information to help the reader understand how the Town's financial performance and position have changed over time. 97

**Revenue Capacity**

These schedules contain information to help the reader assess the Town's most significant revenue sources. 102

**Debt Capacity**

These schedules present information to help the reader assess the Town's ability to service current levels of outstanding debt and the Town's ability to issue additional debt in the future. 108

**Demographic and Economic Information**

This schedule offers demographic and economic indicators to help the reader understand the environment within which the Town's financial activities take place. 113

**Operating Information**

These schedules contain service and infrastructure data to help the reader understand how the information in the Town's financial report relates to the services the Town provides and the activities it performs. 116

**Town of Breckenridge, Colorado**  
**Net Position By Component**  
**Fiscal Years 2015 - 2024**  
**(accrual basis of accounting)**

	2015	(RESTATED) 2016	2017	2018	2019	2020	2021	2022	2023	2024
<b>Governmental activities</b>										
Net investment in capital assets	\$ 116,435,026	\$ 129,188,337	\$ 152,282,331	\$ 150,790,936	\$ 169,947,960	\$ 189,023,735	\$ 200,212,421	\$ 186,037,726	\$ 172,723,725	\$ 194,315,903
Restricted	8,822,838	20,728,773	25,595,213	25,188,466	34,458,694	33,628,759	49,081,979	65,192,222	50,018,305	53,557,407
Unrestricted	57,664,412	49,883,058	44,651,645	57,313,543	52,091,100	50,711,700	64,307,980	97,004,437	120,193,104	117,058,128
<b>Total governmental activities net assets</b>	<b>182,922,276</b>	<b>199,800,168</b>	<b>222,529,188</b>	<b>233,292,945</b>	<b>256,497,754</b>	<b>273,364,194</b>	<b>313,602,380</b>	<b>348,234,385</b>	<b>342,935,134</b>	<b>364,931,438</b>
<b>Business type activities</b>										
Net investment in capital assets	31,843,641	35,176,269	38,447,810	48,951,205	49,578,352	48,601,735	54,679,049	65,620,889	53,345,749	50,862,707
Restricted	-	-	-	-	-	-	-	-	-	-
Unrestricted	12,376,386	12,042,644	12,294,438	4,883,072	8,411,656	14,227,516	11,180,126	6,705,388	21,211,527	29,685,842
<b>Total business-type activities net assets</b>	<b>44,220,027</b>	<b>47,218,913</b>	<b>50,742,248</b>	<b>53,834,277</b>	<b>57,990,008</b>	<b>62,829,251</b>	<b>65,859,175</b>	<b>72,326,277</b>	<b>74,557,276</b>	<b>80,548,549</b>
Primary government										
Net investment in capital assets	148,278,667	164,364,606	190,730,140	199,742,141	219,526,312	237,625,470	254,891,470	251,658,615	226,069,474	245,178,610
Restricted	8,822,838	20,728,773	25,595,213	25,188,466	34,458,694	33,628,759	49,081,979	65,192,222	50,018,305	53,557,407
Unrestricted	70,040,798	61,925,702	56,946,083	62,196,615	60,502,756	64,939,216	75,488,106	103,709,825	141,404,631	146,743,970
<b>Total primary government</b>	<b>\$ 227,142,303</b>	<b>\$ 247,019,081</b>	<b>\$ 273,271,436</b>	<b>\$ 287,127,222</b>	<b>\$ 314,487,762</b>	<b>\$ 336,193,445</b>	<b>\$ 379,461,555</b>	<b>\$ 420,560,662</b>	<b>\$ 417,492,410</b>	<b>\$ 445,479,987</b>

Source: Town of Breckenridge Financial Statements.

**Town of Breckenridge, Colorado**  
**Changes in Net Position**  
**Fiscal Years 2015 - 2024**  
**(accrual basis of accounting)**

Expenses	(RESTATED)									
	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
<b>Governmental activities:</b>										
General government	\$ 8,057,598	\$ 7,930,256	\$ 8,638,950	\$ 9,480,565	\$ 10,065,011	\$ 8,806,877	\$ 12,171,546	\$ 16,973,930	\$ 39,911,939	\$ 17,082,115
Public safety	3,562,030	3,805,509	4,402,722	4,848,018	4,520,414	5,477,252	7,230,812	8,013,471	8,316,580	9,953,576
Community development	2,529,819	4,259,530	4,475,804	6,242,802	4,497,618	4,992,313	5,077,048	14,425,719	17,575,524	27,801,165
Public works	8,803,963	9,898,260	12,157,779	14,208,520	17,669,597	15,534,891	13,257,302	22,536,647	26,530,408	21,679,908
Culture and recreation	6,750,015	7,011,762	7,369,924	8,270,000	8,734,929	7,725,406	8,060,391	9,948,687	10,014,870	11,963,022
Capital Outlay	-	-	-	-	-	1,123,966	-	-	-	-
Open Space acquisition	839,227	1,302,756	1,089,770	1,052,080	1,269,812	3,392,349	1,479,997	1,572,929	1,595,071	1,999,323
Grants to Other Agencies	-	-	-	-	1,186,319	-	2,052,920	1,490,585	2,341,345	2,224,261
Debt service	1,120,737	-	-	-	-	-	-	-	-	-
Debt issuance cost	-	-	-	-	-	380,012	106,916	153,845	-	-
Interest expense not allocated	172,535	583,287	440,543	374,681	383,726	878,860	1,803,419	1,865,769	2,514,767	2,441,976
<b>Total governmental activities expenses</b>	<b>31,835,924</b>	<b>34,791,360</b>	<b>38,575,492</b>	<b>44,476,666</b>	<b>48,327,426</b>	<b>48,311,926</b>	<b>51,240,351</b>	<b>76,981,582</b>	<b>108,800,504</b>	<b>95,145,346</b>
<b>Business-type activities expenses</b>										
Water operations	2,773,743	1,717,478	2,943,666	2,893,540	2,835,088	3,170,087	5,619,712	8,995,467	11,777,025	7,992,133
Golf operations	1,985,393	2,222,408	2,243,872	2,409,354	2,697,169	2,869,185	2,920,361	2,923,207	3,110,469	3,058,678
Cemetery	4,290	6,750	-	14,068	-	8,405	37	19,498	80	13,098
<b>Total business-type activities expenses</b>	<b>4,763,426</b>	<b>3,946,636</b>	<b>5,187,538</b>	<b>5,316,962</b>	<b>5,532,257</b>	<b>6,047,677</b>	<b>8,540,110</b>	<b>11,938,172</b>	<b>14,887,574</b>	<b>11,063,909</b>
<b>Total primary government expenses</b>	<b>\$ 36,599,350</b>	<b>\$ 38,737,996</b>	<b>\$ 43,763,030</b>	<b>\$ 49,793,628</b>	<b>\$ 53,859,683</b>	<b>\$ 54,359,603</b>	<b>\$ 59,780,461</b>	<b>\$ 88,919,754</b>	<b>\$ 123,688,078</b>	<b>\$ 106,209,255</b>
<b>Program Revenues</b>										
<b>Governmental activities:</b>										
<b>Charges for services:</b>										
General government	\$ 937,631	\$ 972,222	\$ 1,097,231	\$ 1,244,710	\$ 1,063,027	\$ 1,791,657	\$ 3,586,082	\$ 14,663,863	\$ 8,345,477	\$ 16,084,005
Public safety	989,953	1,163,870	1,810,163	2,369,723	2,526,085	1,049,490	2,431,006	2,950,489	2,913,682	2,980,878
Community development	1,450,391	1,486,115	1,982,306	1,673,799	1,791,496	2,909,934	1,434,658	1,065,662	793,316	1,543,730
Public works	602,886	681,918	677,130	693,063	629,170	186,508	743,143	815,046	1,270,577	833,034
Culture and recreation	3,246,217	3,246,192	3,123,114	3,541,801	3,725,008	1,838,174	3,378,481	5,954,726	6,232,206	6,757,559
Open space acquisition	733,199	138,369	671,860	155,028	190,657	174,311	173,776	465,172	182,737	255,631
Motor vehicle maintenance	-	-	-	-	-	-	-	-	-	-
Information systems maintenance	-	-	-	-	-	-	-	-	-	-
Facility Maintenance	-	-	-	-	-	-	-	-	-	-
Operating grants and contributions	707,507	987,617	1,248,648	1,518,366	1,209,389	2,451,808	3,105,621	5,894,535	1,302,247	1,494,251
Capital grants	3,242,886	1,529,878	1,837,174	643,734	774,877	349,842	1,622,813	97,228	5,209,918	535,873
<b>Total governmental activities program revenues</b>	<b>11,910,670</b>	<b>10,206,181</b>	<b>12,447,626</b>	<b>11,840,224</b>	<b>11,909,709</b>	<b>10,751,724</b>	<b>16,475,580</b>	<b>31,906,721</b>	<b>26,250,160</b>	<b>30,484,961</b>
<b>Business-type activities:</b>										
<b>Charges for services:</b>										
Water operations	3,447,348	3,700,688	3,859,127	4,395,081	5,566,562	5,365,132	6,035,785	6,915,606	6,025,224	7,423,584
Golf operations	2,224,527	2,629,037	2,648,169	2,888,193	3,047,900	2,853,602	3,634,238	4,047,379	3,995,420	4,510,749
Cemetery	21,863	15,725	12,249	10,426	32,075	16,600	116,200	42,150	28,650	40,075
Capital grants and contributions	798,995	1,894,843	2,180,080	896,378	1,051,652	923,897	2,191,713	7,334,250	3,944,336	827,648
<b>Total business-type activities program revenues</b>	<b>6,492,733</b>	<b>8,240,293</b>	<b>8,699,625</b>	<b>8,190,078</b>	<b>9,698,189</b>	<b>9,159,231</b>	<b>11,977,936</b>	<b>18,339,385</b>	<b>13,993,630</b>	<b>12,802,056</b>
<b>Total primary government program revenues</b>	<b>18,403,403</b>	<b>18,446,474</b>	<b>21,147,251</b>	<b>20,030,302</b>	<b>21,607,898</b>	<b>19,910,955</b>	<b>28,453,516</b>	<b>50,246,106</b>	<b>40,243,790</b>	<b>43,287,017</b>
<b>Net (Expense)/Revenue</b>										
Government activities	(19,925,254)	(24,585,179)	(26,127,866)	(32,636,442)	(36,417,717)	(37,560,202)	(34,764,771)	(45,074,861)	(82,550,344)	(64,660,385)
Business-type activities	1,729,307	4,293,657	3,512,087	2,873,116	4,165,932	3,111,554	3,437,826	6,401,213	(893,944)	1,738,147
<b>Total primary government net expense</b>	<b>\$ (18,195,947)</b>	<b>\$ (20,291,522)</b>	<b>\$ (22,615,779)</b>	<b>\$ (29,763,326)</b>	<b>\$ (32,251,785)</b>	<b>\$ (34,448,648)</b>	<b>\$ (31,326,945)</b>	<b>\$ (38,673,648)</b>	<b>\$ (83,444,288)</b>	<b>\$ (62,922,238)</b>

(Continued)

**Town of Breckenridge, Colorado**  
**Changes in Net Position**  
**Fiscal Years 2015 - 2024**  
**(accrual basis of accounting)**  
**(Continued)**

	2015	(RESTATED) 2016	2017	2018	2019	2020	2021	2022	2023	2024
<b>General Revenues and Other Changes in Net Position</b>										
<b>Governmental activities:</b>										
<b>Taxes</b>										
Property taxes	\$ 2,364,153	\$ 2,558,773	\$ 2,603,320	\$ 2,797,563	\$ 2,866,154	\$ 3,388,704	\$ 3,498,737	\$ 3,792,934	\$ 3,709,591	\$ 5,053,730
Specific ownership taxes	129,276	124,910	157,594	165,951	181,376	158,861	173,079	178,543	172,242	198,886
Sales taxes	21,410,354	24,409,261	28,256,524	30,858,272	34,077,087	31,434,053	38,621,267	47,018,348	44,693,574	52,213,857
Accommodations taxes	4,443,509	5,071,813	5,216,501	5,905,499	6,633,176	6,607,864	10,049,182	11,109,329	9,174,252	10,342,619
Marijuana taxes	483,532	561,510	604,058	593,742	634,024	720,353	693,539	658,274	520,827	446,174
Franchise taxes	888,469	744,256	763,972	744,710	815,317	814,759	704,509	998,167	1,110,339	1,086,425
Real estate transfer taxes	5,468,732	5,240,098	6,239,221	6,156,677	7,166,614	7,838,100	11,038,657	6,872,481	6,225,510	7,420,538
Lift Ticket taxes	-	586,418	3,504,004	3,718,145	3,591,637	2,111,885	3,768,084	3,993,836	4,156,913	4,324,466
Other taxes	49,441	55,140	52,578	53,159	52,750	1,224,155	-	-	-	-
Unrestricted grants and contributions	13,705	9,846	7,071	7,902	11,130	61,527	-	-	-	-
Unrestricted investment earnings	121,788	359,992	518,195	849,419	1,732,050	432,304	54,642	628,064	6,038,351	6,407,062
Gain on Sale of Assets	1,121,283	11,923	142,869	(8,293,853)	-	7,308	4,323,488	(2,144,588)	-	199,754
Other general revenues	412,405	1,183,909	680,708	720,619	1,746,189	1,110,288	1,716,475	6,587,725	2,308,390	902,826
Transfers	472,152	477,024	110,271	113,592	115,023	(1,483,516)	361,298	13,753	(858,896)	(1,939,648)
Prior Period Restatement	-	-	-	-	-	-	-	-	-	-
<b>Total governmental activities</b>	<b>37,378,799</b>	<b>41,394,873</b>	<b>48,856,886</b>	<b>44,391,397</b>	<b>59,622,527</b>	<b>54,426,645</b>	<b>75,002,957</b>	<b>79,706,866</b>	<b>77,251,093</b>	<b>86,656,689</b>
<b>Business-type activities:</b>										
Unrestricted investment earnings	-	74,275	118,278	324,505	96,288	244,172	25,410	79,642	2,203,024	2,313,478
Other general revenues	-	-	-	-	-	-	530	-	63,023	-
Gain on Sale of Assets	-	5,337	3,241	8,000	8,535	-	(72,544)	-	-	-
Transfers	(422,628)	(477,024)	(110,271)	(113,592)	(115,023)	1,483,516	(361,298)	(13,753)	858,896	1,939,648
Prior Period Restatement	-	-	-	-	-	-	-	-	-	-
<b>Total business-type activities</b>	<b>(422,628)</b>	<b>(397,412)</b>	<b>11,248</b>	<b>218,913</b>	<b>(10,200)</b>	<b>1,727,688</b>	<b>(407,902)</b>	<b>65,889</b>	<b>3,124,943</b>	<b>4,253,126</b>
<b>Total primary government</b>	<b>\$ 36,956,171</b>	<b>\$ 40,997,461</b>	<b>\$ 48,868,134</b>	<b>\$ 44,610,310</b>	<b>\$ 59,612,327</b>	<b>\$ 56,154,333</b>	<b>\$ 74,595,055</b>	<b>\$ 79,772,755</b>	<b>\$ 80,376,036</b>	<b>\$ 90,909,815</b>
<b>Change in Net Position</b>										
Governmental activities	\$ 17,385,585	\$ 16,655,668	\$ 22,729,020	\$ 11,754,955	\$ 23,204,810	\$ 16,866,443	\$ 40,238,186	\$ 34,632,005	\$ (5,299,251)	\$ 21,996,304
Business-type activities	1,267,829	2,998,886	3,523,335	3,092,029	4,155,732	4,839,242	3,029,924	6,467,102	2,230,999	5,991,273
<b>Total primary government</b>	<b>\$ 18,653,414</b>	<b>\$ 19,654,554</b>	<b>\$ 26,252,355</b>	<b>\$ 14,846,984</b>	<b>\$ 27,360,542</b>	<b>\$ 21,705,685</b>	<b>\$ 43,268,110</b>	<b>\$ 41,099,107</b>	<b>\$ (3,068,252)</b>	<b>\$ 27,987,577</b>

Source: Town of Breckenridge Financial Statements.

**Town of Breckenridge, Colorado**  
**Fund Balances, Governmental Funds**  
**Fiscal Years 2015 - 2024**  
(modified accrual basis of accounting)

	2015	(RESTATED) 2016	2017	2018	2019	2020	2021	2022	2023	2024
<b>General Fund</b>										
Nonspendable	\$ -	\$ 1,274,719	\$ 1,255,501	\$ 1,351,783	\$ 1,261,002	\$ 1,185,469	\$ 1,149,899	\$ 1,112,152	\$ 1,184,241	\$ 1,569,702
Restricted	2,261,415	3,134,604	3,117,109	4,099,842	7,106,607	3,417,667	346,314	3,345,000	3,345,000	3,327,000
Committed	-	-	-	-	-	824,688	777,944	893,589	586,286	698,029
Assigned	3,055,523	4,488,920	290,000	-	210,900	41,907,201	56,846,381	61,591,988	79,710,410	58,103,173
Unassigned	32,405,219	31,548,493	27,716,111	35,727,738	35,604,841	38,501,740	33,116,901	35,340,190	21,147,575	31,978,709
<b>Total General Fund</b>	<b>37,722,157</b>	<b>40,446,736</b>	<b>32,378,721</b>	<b>41,179,363</b>	<b>44,183,350</b>	<b>86,025,120</b>	<b>92,237,439</b>	<b>102,282,919</b>	<b>105,973,512</b>	<b>95,676,613</b>
<b>All Other Governmental Funds</b>										
Nonspendable	7,534,513	-	-	-	-	-	-	-	-	-
<b>Restricted, reported in:</b>										
Special Revenue Funds	6,561,423	12,962,517	22,478,104	21,088,624	27,352,087	37,022,737	49,790,368	68,978,119	46,673,305	50,230,407
Capital Projects Fund	-	142,732	-	-	-	-	-	-	-	-
<b>Committed, reported in:</b>										
Special Revenue Funds	-	448,833	317,455	323,544	580,145	1,494,693	4,366,594	6,295,645	7,713,345	8,794,174
<b>Assigned, reported in:</b>										
Special Revenue Funds	155,243	-	-	-	-	-	-	-	-	-
Capital Projects Fund	5,955,575	8,483,801	11,142,479	15,040,628	9,186,384	737,492	737,492	737,492	737,492	2,960,820
<b>Unassigned, reported in:</b>										
Special Revenue Funds	-	-	-	-	-	-	-	-	-	-
Capital Projects Fund	-	-	-	-	-	-	-	-	-	-
<b>Total all other governmental funds</b>	<b>20,206,754</b>	<b>22,037,883</b>	<b>33,938,038</b>	<b>36,452,796</b>	<b>37,118,616</b>	<b>39,254,922</b>	<b>54,894,454</b>	<b>76,011,256</b>	<b>55,124,142</b>	<b>61,985,401</b>
<b>Total Governmental Funds Balance</b>	<b>\$ 57,928,911</b>	<b>\$ 62,484,619</b>	<b>\$ 66,316,759</b>	<b>\$ 77,632,159</b>	<b>\$ 81,301,966</b>	<b>\$ 125,280,042</b>	<b>\$ 147,131,893</b>	<b>\$ 178,294,175</b>	<b>\$ 161,097,654</b>	<b>\$ 157,662,014</b>

Source: Town of Breckenridge Financial Statements.

**Town of Breckenridge, Colorado**  
**Changes in Fund Balances, Governmental Funds**  
**Fiscal Years 2015 - 2024**  
(modified accrual basis of accounting)

	(RESTATED)									
	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
<b>Revenues</b>										
Taxes	\$ 35,237,467	\$ 39,352,179	\$ 47,397,773	\$ 50,993,718	\$ 56,018,135	\$ 54,298,734	\$ 68,547,054	\$ 74,888,688	\$ 69,763,252	\$ 81,086,695
Licenses and permits	1,590,838	1,794,597	1,992,995	1,698,476	1,819,382	2,114,542	2,803,400	3,201,237	2,577,305	2,854,535
Intergovernmental	3,878,175	2,456,413	3,129,849	2,185,013	1,867,089	2,926,177	4,677,237	6,503,526	5,460,411	2,629,007
Charges for services	5,987,120	5,581,231	6,961,064	7,582,979	8,682,126	5,529,977	8,736,094	21,040,940	14,635,620	22,774,416
Fines and forfeits	429,761	471,234	312,188	291,072	255,340	348,845	343,621	827,546	1,059,417	1,133,640
Interest	121,838	329,553	468,800	736,287	1,487,445	432,304	34,311	619,417	5,902,016	5,620,044
Miscellaneous	1,834,541	1,164,541	739,309	746,205	1,043,091	938,519	5,112,370	4,354,366	1,037,220	602,906
<b>Total revenues</b>	<b>49,079,740</b>	<b>51,149,748</b>	<b>61,001,978</b>	<b>64,233,750</b>	<b>71,172,608</b>	<b>66,589,098</b>	<b>90,254,087</b>	<b>111,435,720</b>	<b>100,435,241</b>	<b>116,701,243</b>
<b>Expenditures</b>										
General government	7,334,615	7,143,089	7,636,618	8,498,479	9,106,931	7,960,145	8,270,211	9,830,922	10,694,698	12,176,663
Public safety	3,274,868	3,564,679	4,073,393	4,420,323	4,070,443	5,035,834	5,141,647	6,124,808	6,713,366	6,995,194
Public works	8,294,233	9,599,073	11,477,330	13,272,015	15,962,117	13,947,626	14,845,842	17,560,873	22,045,418	27,844,303
Community development	2,284,598	2,523,265	2,771,157	4,362,599	3,879,126	4,359,850	4,329,358	23,505,505	38,042,413	31,461,209
Culture and recreation	6,157,336	6,459,033	6,792,019	7,441,773	7,785,028	6,750,268	6,997,211	9,240,104	9,987,199	10,454,390
Open Space Acquisition	844,410	1,309,989	1,108,694	1,069,615	1,284,113	1,152,471	1,572,685	1,720,427	1,757,387	2,161,166
Grants to Other Agencies	1,035,191	1,372,447	1,288,705	1,238,574	1,186,319	3,392,349	1,824,837	1,288,349	2,078,136	1,935,844
Capital outlay	9,280,717	22,521,726	24,541,342	17,303,800	23,363,040	24,477,291	32,449,734	29,054,109	15,503,021	18,807,247
Debt service										
Principal	3,115,002	605,000	675,000	695,000	715,000	3,020,000	1,980,000	2,240,000	2,905,000	2,975,000
Interest and charges	323,487	571,089	490,267	458,949	425,249	1,118,620	2,081,305	2,373,250	3,068,580	3,027,925
Debt issuance costs	-	-	-	-	-	380,012	106,916	153,845	-	-
<b>Total expenditures</b>	<b>41,944,457</b>	<b>55,669,390</b>	<b>60,854,525</b>	<b>58,761,127</b>	<b>67,777,366</b>	<b>71,594,466</b>	<b>79,599,746</b>	<b>103,092,192</b>	<b>112,795,218</b>	<b>117,838,941</b>
<b>Excess of revenues over (under) expenditures</b>	<b>7,135,283</b>	<b>(4,519,642)</b>	<b>147,453</b>	<b>5,472,623</b>	<b>3,395,242</b>	<b>(5,005,368)</b>	<b>10,654,341</b>	<b>8,343,528</b>	<b>(12,359,977)</b>	<b>(1,137,698)</b>
<b>Other Financing Sources (Uses)</b>										
Proceeds from Debt Issuances	-	10,600,000	-	-	-	43,810,000	11,320,191	17,775,000	-	-
Issuance of COP Premium	-	1,042,063	-	-	-	6,906,961	-	1,892,049	-	-
Payment to Refunding COP Escrow Agent	-	(2,435,658)	-	-	-	-	-	-	-	-
Sale of Capital Assets	1,058,475	-	-	6,329,185	159,542	-	-	-	261,497	-
Operating transfers in	12,027,316	11,676,765	28,941,537	19,956,460	14,490,735	17,988,177	13,857,128	20,305,719	27,732,138	47,450,688
Operating transfers out	(11,555,164)	(11,199,741)	(25,256,850)	(20,442,868)	(14,375,712)	(19,721,693)	(13,974,809)	(20,831,728)	(29,157,465)	(49,748,610)
<b>Total other financing sources (uses)</b>	<b>1,530,627</b>	<b>9,683,429</b>	<b>3,684,687</b>	<b>5,842,777</b>	<b>274,565</b>	<b>48,983,445</b>	<b>11,202,510</b>	<b>19,141,040</b>	<b>(1,163,830)</b>	<b>(2,297,922)</b>
<b>Net changes in fund balances</b>	<b>8,665,910</b>	<b>5,163,787</b>	<b>3,832,140</b>	<b>11,315,400</b>	<b>3,669,807</b>	<b>43,978,077</b>	<b>21,856,851</b>	<b>27,484,568</b>	<b>(13,523,807)</b>	<b>(3,435,620)</b>
Capitalized Capital Outlay	9,280,717	22,521,725	24,541,342	17,303,800	23,363,040	24,477,291	32,775,318	27,816,885	8,729,770	29,033,030
<b>Noncapital Expenditures</b>	<b>\$ 32,663,740</b>	<b>\$ 33,147,665</b>	<b>\$ 36,313,183</b>	<b>\$ 41,457,327</b>	<b>\$ 44,414,326</b>	<b>\$ 47,117,175</b>	<b>\$ 46,824,428</b>	<b>\$ 75,275,307</b>	<b>\$ 104,065,448</b>	<b>\$ 88,805,911</b>
<b>Debt services as a percentage of noncapital expenditures</b>	<b>10.5%</b>	<b>3.5%</b>	<b>3.2%</b>	<b>2.8%</b>	<b>2.6%</b>	<b>8.8%</b>	<b>8.7%</b>	<b>6.1%</b>	<b>5.7%</b>	<b>6.8%</b>

Source: Town of Breckenridge Financial Statements.

**Town of Breckenridge, Colorado**  
**Assessed Value and Actual Value of Taxable Property**  
**Last Ten Fiscal Years**

Fiscal Year Ended December 31	Residential Property	Commercial & Industrial Property	Vacant & Agricultural Property	State Assessed	Tax-Exempt Property	Total Taxable Assessed Value	Total Direct Tax Rate	Estimated Actual Taxable Value	Assessed Value as a Percentage of Actual Value
<b>2015</b>	\$ 359,661,730	\$ 102,857,550	\$ 47,919,560	\$ 6,813,460	\$ 17,488,410	\$ 517,252,300	5.07	\$ 5,061,778,400	10%
<b>2016</b>	\$ 371,301,310	\$ 104,198,650	\$ 40,060,590	\$ 7,080,640	\$ 21,982,900	\$ 522,641,190	5.07	\$ 5,186,450,130	10%
<b>2017</b>	\$ 401,810,440	\$ 115,291,110	\$ 40,692,430	\$ 7,359,180	\$ 22,875,060	\$ 565,153,160	5.07	\$ 6,143,950,390	9%
<b>2018</b>	\$ 414,591,880	\$ 119,641,750	\$ 33,788,530	\$ 7,038,610	\$ 24,491,890	\$ 575,060,770	5.07	\$ 6,396,015,040	9%
<b>2019</b>	\$ 497,338,880	\$ 135,391,830	\$ 43,618,350	\$ 8,524,820	\$ 24,689,250	\$ 684,873,880	5.07	\$ 7,687,628,800	9%
<b>2020</b>	\$ 509,393,360	\$ 138,574,060	\$ 33,249,250	\$ 9,090,520	\$ 25,540,430	\$ 690,307,190	5.07	\$ 7,836,291,970	9%
<b>2021</b>	\$ 562,458,910	\$ 138,729,700	\$ 35,476,160	\$ 9,621,750	\$ 26,473,640	\$ 746,286,520	5.07	\$ 8,591,731,290	9%
<b>2022</b>	\$ 553,095,465	\$ 138,162,789	\$ 29,259,161	\$ 8,055,337	\$ 32,433,666	\$ 728,572,752	5.07	\$ 8,681,125,587	8%
<b>2023</b>	\$ 775,430,487	\$ 161,296,252	\$ 49,873,194	\$ 8,769,252	\$ 30,410,252	\$ 995,369,185	5.07	\$ 12,547,993,158	8%
<b>2024</b>	\$ 781,330,210	\$ 159,116,568	\$ 49,587,759	\$ 8,760,486	\$ 30,252,277	\$ 998,795,023	5.07	\$ 12,624,939,502	8%

Source: Summit County Assessor's Office.

**Town of Breckenridge, Colorado**  
**Property Tax Rates**  
**All Direct and Overlapping Governments**  
**Last Ten Fiscal Years**

Fiscal Year	DIRECT Town of Breckenridge			OVERLAPPING						Total	Alpine Metro Dist.	Breck Mtn Metro Dist.
	General Operating	GO Debt	Total Town	Summit County	Summit School District	Colorado Mtn. College	Red, White & Blue Fire	Colorado River Water Con.	Middle Park Water Con			
2015	5.070	-	5.070	15.072	19.618	3.997	9.004	0.243	0.055	53.059	-	25.000
2016	5.070	-	5.070	15.072	19.618	3.997	9.004	0.243	0.055	53.059	-	25.000
2017	5.070	-	5.070	15.086	20.417	3.997	9.015	0.256	0.055	53.896	-	25.000
2018	5.070	-	5.070	19.643	20.417	3.997	9.015	0.256	0.055	58.453	-	25.000
2019	5.070	-	5.070	19.280	19.092	4.013	9.053	0.235	0.048	56.791	-	25.000
2020	5.070	-	5.070	19.603	19.183	4.013	9.118	0.502	0.048	57.537	-	25.000
2021	5.070	-	5.070	19.530	18.835	4.013	9.110	0.501	0.046	57.105	-	25.000
2022	5.070	-	5.070	19.809	18.871	4.085	9.250	0.501	0.046	57.632	-	25.000
2023	5.070	-	5.070	19.809	18.871	4.085	9.250	0.501	0.046	57.632	-	25.000
2024	5.070	-	5.070	19.267	15.781	3.230	9.531	0.501	0.034	53.414	-	25.000

Note: All numbers shown are Mill Levies (amounts assessed per \$1,000 in valuation).

Source: Summit County Assessor's Office.

**Town of Breckenridge, Colorado**  
**Top Ten Principal Property Tax Payers**  
**Current Year and Nine Years Ago**

Taxpayer	Type of Business	2024		2015			
		Taxable Assessed Value	Rank	Percentage of Total Taxable Assessed Value	Taxable Assessed Value	Rank	Percentage of Total Taxable Assessed Value
Peak 8 Properties LLC	Developer	\$ 14,618,385	1	1.464%			0.000%
Gold Point Lodging & Realty, Inc.	Hotel/Retail Condo Resort & Management	14,085,847	2	1.410%	\$ 8,590,003	2	1.661%
Grand Lodge on Peak 7 Interval Owner Assoc.	Timeshare Organization	11,207,975	3	1.122%	7,961,117	3	1.539%
BD 550 Village LLC	Hotel/Retail Condo Resort & Management	10,339,209	4	1.035%			0.000%
Vail Summit Resorts, Inc	Ski Area Owner, Developer	6,366,733	9	0.637%	12,856,425	1	2.486%
MHH BRECKENRIDGE HOLDINGS LLC	Hotel/Retail Condo Resort & Management	8,550,512	5	0.856%			0.000%
Parkway Shopping Center LLC	Developer	7,261,391	6				
Beaver Run Interim Center Acquisition LLC	Developer	6,861,614	7	0.687%	6,867,087	4	1.328%
Public Service Co. of Colorado	Public Utility	6,462,748	8	0.647%	4,474,284	5	0.865%
Valdoro Mtn Lodge Interval Owner Assoc.	Hotel/Retail Condo Resort & Management			0.000%	2,937,132	9	0.568%
Shock Overlook LLC	Developer			0.000%	3,306,933	6	0.639%
MB DEVELOPMENT LLC	Developer	4,685,743	10	0.469%			0.000%
One Ski Hill Place LLC	Developer			0.000%	2,896,041	10	0.560%
Ofpers Partners, LLC	Commercial Real Estate			0.000%	2,939,323	8	0.568%
Village at Breckenridge Acquisition Corp.	Hotel/Retail Condo Resort & Management			0.000%	3,060,274	7	0.592%
<b>Total</b>		<u>\$ 90,440,157</u>		<u>7.859%</u>	<u>\$ 46,992,981</u>		<u>9.085%</u>

Source: Summit County Assessor's Office.

## Town of Breckenridge, Colorado

### Taxable Sales and Sales Tax Collections By Category Last Ten Years

<u>Taxable Sales</u>	2020	Percent of Total	2021	Percent of Total	2022	Percent of Total	2023	Percent of Total	2024	Percent of Total
Retail	\$ 161,528,539	26%	\$ 215,833,559	26%	\$ 239,982,824	26%	\$ 233,677,826	25%	\$ 235,095,549	26%
Marijuana	11,582,448	2%	12,148,814	1%	10,322,606	1%	8,037,258	1%	7,032,490	1%
Restaurants/Bars	113,192,431	18%	158,320,897	19%	185,637,284	20%	196,005,182	21%	199,597,397	22%
Short-Term Lodging	193,280,422	31%	294,626,077	35%	323,260,950	35%	311,189,917	34%	301,866,683	33%
Grocery/Liquor Stores	71,505,483	11%	78,123,650	9%	85,549,534	9%	86,413,128	9%	87,370,750	10%
Construction	35,990,181	6%	40,774,678	5%	45,844,558	5%	42,968,118	5%	42,812,327	5%
Utilities	31,905,330	5%	32,093,270	4%	37,058,024	4%	41,097,292	4%	38,469,264	4%
Undefined	3,083,184	0%	3,320,302	0%	3,657,345	0%	3,732,972	0%	3,582,783	0%
<b>Total</b>	<b>\$ 622,068,018</b>	<b>100%</b>	<b>\$ 835,241,247</b>	<b>100%</b>	<b>\$ 931,313,125</b>	<b>100%</b>	<b>\$ 923,121,693</b>	<b>100%</b>	<b>\$ 915,827,243</b>	<b>100%</b>

#### Sales Tax Collected

Retail	\$ 7,328,816	26%	\$ 9,263,684	26%	\$ 10,468,824	26%	\$ 10,831,615	25%	\$ 12,142,703	26%
Marijuana	525,515	2%	521,433	1%	450,305	1%	372,549	1%	363,229	1%
Restaurants/Bars	5,135,727	18%	6,795,212	19%	8,098,097	20%	9,085,383	21%	10,309,221	22%
Short-Term Lodging	8,769,452	31%	12,645,498	35%	14,101,685	35%	14,424,515	34%	15,591,438	33%
Grocery/Liquor Stores	3,244,322	11%	3,353,106	9%	3,731,946	9%	4,005,488	9%	4,512,706	10%
Construction	1,632,934	6%	1,750,069	5%	1,999,887	5%	1,991,691	5%	2,211,260	5%
Utilities	1,447,597	5%	1,377,459	4%	1,616,590	4%	1,904,973	4%	1,986,940	4%
Undefined	139,889	0%	142,509	0%	159,545	0%	173,034	0%	185,051	0%
<b>Total</b>	<b>\$ 28,224,252</b>	<b>100%</b>	<b>\$ 35,848,969</b>	<b>100%</b>	<b>\$ 40,626,881</b>	<b>100%</b>	<b>\$ 42,789,249</b>	<b>100%</b>	<b>\$ 47,302,548</b>	<b>100%</b>

<u>Taxable Sales</u>	2015	Percent of Total	2016	Percent of Total	2017	Percent of Total	2018	Percent of Total	2019	Percent of Total
Retail	\$ 131,135,835	27%	\$ 141,987,227	26%	\$ 152,200,147	27%	\$ 168,252,098	27%	\$ 168,529,084	25%
Marijuana	7,791,474	2%	9,192,345	2%	9,714,804	2%	9,976,918	2%	10,254,704	2%
Restaurants/Bars	107,664,478	22%	117,125,970	22%	126,504,293	22%	140,080,648	23%	149,403,100	22%
Short-Term Lodging	130,677,280	26%	148,960,209	28%	148,927,636	26%	167,408,538	27%	188,768,425	28%
Grocery/Liquor Stores	59,327,490	12%	62,692,608	12%	64,306,218	11%	67,779,218	11%	71,649,842	11%
Construction	29,765,442	6%	32,236,255	6%	37,328,216	7%	32,212,484	5%	48,283,109	7%
Utilities	26,624,825	5%	25,836,403	5%	27,068,676	5%	25,776,614	4%	28,130,222	4%
Undefined	1,503,290	0%	2,355,541	0%	2,053,401	0%	2,565,274	0%	4,616,737	1%
<b>Total</b>	<b>\$ 494,490,114</b>	<b>100%</b>	<b>\$ 540,386,559</b>	<b>100%</b>	<b>\$ 568,103,391</b>	<b>100%</b>	<b>\$ 614,051,792</b>	<b>100%</b>	<b>\$ 669,635,223</b>	<b>100%</b>

#### Sales Tax Collected

Retail	\$ 5,677,898	27%	\$ 6,413,582	26%	\$ 6,819,967	27%	\$ 7,600,210	27%	\$ 7,694,939	25%
Marijuana	337,354	2%	415,219	2%	435,313	2%	450,673	2%	468,224	2%
Restaurants/Bars	4,661,639	22%	5,290,596	22%	5,668,556	22%	6,327,662	23%	6,821,658	22%
Short-Term Lodging	5,658,044	26%	6,728,552	28%	6,673,328	26%	7,562,105	27%	8,619,055	28%
Grocery/Liquor Stores	2,568,752	12%	2,831,833	12%	2,881,510	11%	3,061,693	11%	3,271,490	11%
Construction	1,288,779	6%	1,456,116	6%	1,672,648	7%	1,455,088	5%	2,204,578	7%
Utilities	1,152,797	5%	1,167,034	5%	1,212,926	5%	1,164,370	4%	1,284,409	4%
Undefined	65,089	0%	106,400	0%	92,011	0%	115,877	0%	210,797	1%
<b>Total</b>	<b>\$ 21,410,354</b>	<b>100%</b>	<b>\$ 24,409,332</b>	<b>100%</b>	<b>\$ 25,456,259</b>	<b>100%</b>	<b>\$ 27,737,678</b>	<b>100%</b>	<b>\$ 30,575,151</b>	<b>100%</b>

Revenues and sales taxes are reported by category. Publication of revenues and sales taxes paid by specific individual business is prohibited (Breckenridge Town Code Section 3-1-17).

**Town of Breckenridge, Colorado**  
 Direct and Overlapping Sales Tax Rates  
 Last Ten Years

Fiscal Year	TOB Direct Rate	Summit Combined Housing Authority	Summit County	State of Colorado	Total
2015	2.50%	0.125%	2.750%	2.90%	8.275%
2016	2.50%	0.125%	2.750%	2.90%	8.275%
2017	2.50%	0.725%	2.750%	2.90%	8.875%
2018	2.50%	0.725%	2.750%	2.90%	8.875%
2019	2.50%	0.725%	2.750%	2.90%	8.875%
2020	2.50%	0.725%	2.750%	2.90%	8.875%
2021	2.50%	0.725%	2.750%	2.90%	8.875%
2022	2.50%	0.725%	2.750%	2.90%	8.875%
2023	2.50%	0.725%	2.750%	2.90%	8.875%
2024	2.50%	0.725%	2.750%	2.90%	8.875%

Source: State of Colorado, Town of Breckenridge.

**Town of Breckenridge, Colorado**  
**Property Tax Levies and Collections**  
**Last Ten Years**

Fiscal Year Ended Dec 31	Taxes Levied for the Fiscal Year	Collected within the Fiscal Year of the Levy		Collections in Subsequent Years	Total Collections to Date	
		Amount	Percentage of Levy		Amount	Percentage of Levy
2015	\$ 2,368,351	\$ 2,358,581	99.59%	\$ 5,566	\$ 2,364,147	99.82%
2016	\$ 2,622,469	\$ 2,610,997	99.56%	\$ -	\$ 2,610,997	99.56%
2017	\$ 2,650,761	\$ 2,601,126	98.13%	\$ -	\$ 2,601,126	98.13%
2018	\$ 2,865,327	\$ 2,792,028	97.44%	\$ 1,878	\$ 2,793,906	97.51%
2019	\$ 2,915,558	\$ 2,860,052	98.10%	\$ 1,714	\$ 2,861,766	98.15%
2020	\$ 3,472,311	\$ 3,388,916	97.60%	\$ -	\$ 3,388,916	97.60%
2021	\$ 3,499,857	\$ 3,491,458	99.76%	\$ -	\$ 3,491,458	99.76%
2022	\$ 3,783,673	\$ 3,785,874	100.06%	\$ -	\$ 3,785,874	100.06%
2023	\$ 3,693,864	\$ 3,702,127	100.22%	\$ -	\$ 3,702,127	100.22%
2024	\$ 5,046,522	\$ 5,043,598	99.94%	\$ -	\$ 5,043,598	99.94%

Sources: Town of Breckenridge Financial Statements.  
Summit County Assessor's and Treasurer's Offices.

Property taxes are levied in year x1 and are paid the following year x2.

## Town of Breckenridge, Colorado

### Ratios of Outstanding Debt By Type Last Ten Years

Fiscal Year	Governmental Activities					Business - Type Activities				Total Primary Government	Percentage of Personal Income	Outstanding Debt Per Capita
	General Obligation	Certificates of Participation	Notes Payable	Capital Leases	Debt Premium Net of Accum Amort	Revenue Bonds	Capital Leases	Notes Payable	Debt Premium Net of Accum Amort			
2015	\$ -	\$ 4,910,000	\$ -	\$ -	\$ 13,798	\$ -	\$ -	\$ 363,879	\$ -	\$ 5,287,677	5.07%	\$ 1,097
2016	\$ -	\$ 1,002,608	\$ -	\$ -	\$ 1,002,608	\$ -	\$ -	\$ 68,756	\$ -	\$ 2,073,972	2.08%	\$ 424
2017	\$ -	\$ 11,290,000	\$ -	\$ -	\$ 949,355	\$ -	\$ 133,122	\$ 56,990,796	\$ 1,234,328	\$ 70,597,601	65.03%	\$ 14,405
2018	\$ -	\$ 10,595,000	\$ -	\$ -	\$ 896,102	\$ -	\$ 93,198	\$ 54,804,129	\$ 1,178,222	\$ 67,566,651	59.99%	\$ 13,587
2019	\$ -	\$ 9,880,000	\$ -	\$ 338,225	\$ 842,849	\$ -	\$ 44,712	\$ 52,592,710	\$ 1,122,116	\$ 64,820,612	58.82%	\$ 13,103
2020	\$ -	\$ 51,230,000	\$ -	\$ 285,269	\$ 7,412,176	\$ -	\$ -	\$ 50,344,189	\$ 1,066,010	\$ 110,337,644	91.40%	\$ 21,914
2021	\$ -	\$ 90,236,739	\$ -	\$ 229,604	\$ 9,142,654	\$ -	\$ 184,899	\$ 48,048,413	\$ 1,009,904	\$ 148,852,213	129.81%	\$ 29,628
2022	\$ -	\$ 73,465,000	\$ -	\$ 171,091	\$ 10,530,336	\$ -	\$ 133,517	\$ 58,834,897	\$ 953,798	\$ 144,088,639	121.38%	\$ 28,375
2023	\$ -	\$ 70,560,000	\$ -	\$ 1,325,125	\$ 9,931,367	\$ -	\$ 79,917	\$ 56,469,263	\$ 897,692	\$ 139,263,364	99.58%	\$ 25,915
2024	\$ -	\$ 67,585,000	\$ -	\$ 1,216,772	\$ 9,332,398	\$ -	\$ 24,004	\$ 54,058,864	\$ 841,586	\$ 133,058,624	97.63%	\$ 24,776

Source: Details regarding the Town's outstanding debt can be found in the Town's financial statements.  
Personal Income and Per Capita information is found in the demographic and economic schedule.

**Town of Breckenridge, Colorado**  
**Ratios of General Bonded Debt Outstanding**  
**Last Ten Fiscal Years**

Fiscal Year	Gen. Oblig. Bonded Debt Outstanding	Population	G.O Debt Per Capita	Assessed Valuation	Ratio of Debt to Assessed Valuation
2015	\$ 3,346,799	4,820	694	\$ 517,252,300	N/A
2016	\$ 629,232	4,896	129	\$ 522,641,190	N/A
2017	\$ 1,177,589	4,901	240	\$ 565,153,160	N/A
2018	\$ 54,148,105	4,973	10,888	\$ 575,060,770	N/A
2019	\$ 80,657,578	4,947	16,304	\$ 684,873,880	N/A
2020	\$ 137,669,324	5,035	27,342	\$ 690,307,190	N/A
2021	\$ 151,668,573	5,024	30,189	\$ 746,286,520	N/A
2022	\$ 132,299,897	5,078	26,054	\$ 728,572,752	N/A
2023	\$ 127,029,263	5,560	22,847	\$ 995,369,185	N/A
2024	\$ 121,643,864	5,621	21,641	\$ 998,795,023	N/A

Source: Summit County Assessor's Office,  
Town of Breckenridge Financial Statements.

**Town of Breckenridge, Colorado**  
**Computation of Direct and Overlapping General Obligation Debt**  
**December 31, 2024**

Jurisdiction	2015 Assessed Value	2016 Assessed Value	2017 Assessed Value	2018 Assessed Value	2019 Assessed Value	2020 Assessed Value	2021 Assessed Value	2022 Assessed Value	2023 Assessed Value	2024 Assessed Value
<b>Direct Debt:</b>										
Town of Breckenridge	\$ 534,740,710	\$ 522,641,190	\$ 565,153,160	\$ 575,060,770	\$ 684,873,880	\$ 690,307,190	\$ 746,286,520	\$ 728,572,750	\$ 995,369,190	\$ 998,795,023
Summit County	\$ 1,733,916,850	\$ 1,733,916,850	\$ 1,871,102,700	\$ 1,897,719,190	\$ 2,257,439,910	\$ 2,271,614,210	\$ 2,477,541,750	\$ 2,458,966,100	\$ 3,456,585,680	\$ 3,470,857,807
Summit School District	\$ 1,725,995,920	\$ 1,738,162,600	\$ 1,862,888,520	\$ 1,883,475,430	\$ 2,247,566,630	\$ 2,249,526,050	\$ 2,441,567,490	\$ 2,449,685,940	\$ 3,443,140,263	\$ 3,457,385,818
Colorado Mountain College	\$ 1,725,995,920	\$ 1,738,162,600	\$ 1,862,888,520	\$ 1,883,475,430	\$ 2,247,566,630	\$ 2,249,526,050	\$ 2,468,313,700	\$ 2,449,685,940	\$ 3,443,140,263	\$ 3,457,385,818
Red, White & Blue Fire Protection District	\$ 790,119,390	\$ 796,489,730	\$ 857,252,240	\$ 869,706,140	\$ 1,033,309,600	\$ 1,038,514,420	\$ 1,116,425,400	\$ 1,283,365,050	\$ 1,577,495,791	\$ 1,580,427,296
Colorado River Water Conservation District	\$ 1,733,916,850	\$ 1,745,981,510	\$ 1,871,102,700	\$ 1,891,679,220	\$ 2,247,521,320	\$ 2,259,159,280	\$ 2,477,541,750	\$ 2,458,966,100	\$ 3,456,585,682	\$ 3,470,857,807
Middle Park Water Conservancy District	\$ 1,733,916,850	\$ 1,745,981,510	\$ 1,871,102,700	\$ 1,891,679,220	\$ 2,247,521,320	\$ 2,259,159,280	\$ 2,477,541,750	\$ 2,458,966,100	\$ 3,456,585,682	\$ 3,470,857,807
Upper Blue Sanitation District	\$ 658,936,590	\$ 658,936,590	\$ 718,496,720	\$ 730,370,010	\$ 873,408,690	\$ 883,454,180	\$ 956,620,720	\$ 937,726,180	\$ 1,320,975,196	\$ 1,324,239,746
Alpine Metropolitan District	\$ 3,320	\$ 3,320	\$ 3,590	\$ 15,910	\$ 79,040	\$ 13,410	\$ 7,600	\$ 5,710	\$ 2,762	\$ 2,762
Breckenridge Mountain Metropolitan District	\$ 40,938,550	\$ 40,728,730	\$ 43,937,140	\$ 49,168,010	\$ 54,531,290	\$ 56,329,430	\$ 59,324,240	\$ 59,544,810	\$ 73,368,970	\$ 73,368,970

	Debt Outstanding	Percentage Applicable to Town	Amount Applicable to Town
<b>Direct Debt:</b>			
Town of Breckenridge	\$ 133,058,624	100%	\$ 133,058,624
Summit County	-	29%	-
Summit School District	48,185,000	29%	13,929,686
Colorado Mountain College	-	29%	-
Red, White & Blue Fire Protection District	-	63%	-
Colorado River Water Conservation District	-	29%	-
Middle Park Water Conservancy District	-	29%	-
Upper Blue Sanitation District	-	75%	-
Alpine Metropolitan District	-	100%	-
Breckenridge Mountain Metropolitan District	20,650,000	100%	-
<b>Overlapping Debt:</b>	<b>68,835,000</b>		<b>13,929,686</b>
<b>Direct Debt:</b>	<b>133,058,624</b>		<b>133,058,624</b>
<b>Total Debt:</b>	<b>\$ 201,893,624</b>		<b>\$ 146,988,310</b>

The percent applicable to the Town is based upon the percent of valuation the Town makes up of the Jurisdiction's total valuation.

Source: Individual Entities

## Town of Breckenridge, Colorado

### Legal Debt Margin Information

### Last Ten Years

Legal Debt Margin Computation	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
<b>Maximum Debt Allowed:</b>										
Actual value	\$ 5,061,778,400	\$ 5,186,450,130	\$ 6,143,950,390	\$ 6,396,015,040	\$ 7,687,628,800	\$ 7,836,291,970	\$ 8,591,731,290	\$ 8,681,125,587	\$ 12,547,993,158	\$ 12,624,939,502
Debt limit (3% of valuation)	0.03	0.03	0.03	0.03	0.03	0.03	0.03	0.03	0.03	0.03
Legal debt limit	<u>\$ 151,853,352</u>	<u>\$ 155,593,504</u>	<u>\$ 184,318,512</u>	<u>\$ 191,880,451</u>	<u>\$ 230,628,864</u>	<u>\$ 235,088,759</u>	<u>\$ 257,751,939</u>	<u>\$ 260,433,768</u>	<u>\$ 376,439,795</u>	<u>\$ 378,748,185</u>
<b>Debt Applicable to Limit:</b>										
Total bonds outstanding	\$ 3,346,799	\$ 629,232	\$ 1,177,589	\$ 54,148,105	\$ 80,657,578	\$ 137,669,324	\$ 151,668,573	\$ 182,608,078	\$ 173,382,608	\$ 164,155,951
Less: Sales Tax Revenue Bonds	-	-	-	-	-	-	-	-	-	-
Debt subject to limitation	<u>\$ 3,346,799</u>	<u>\$ 629,232</u>	<u>\$ 1,177,589</u>	<u>\$ 54,148,105</u>	<u>\$ 80,657,578</u>	<u>\$ 137,669,324</u>	<u>\$ 151,668,573</u>	<u>\$ 182,608,078</u>	<u>\$ 173,382,608</u>	<u>\$ 164,155,951</u>
Debt limit	\$ 151,853,352	\$ 155,593,504	\$ 184,318,512	\$ 191,880,451	\$ 230,628,864	\$ 235,088,759	\$ 257,751,939	\$ 260,433,768	\$ 376,439,795	\$ 378,748,185
Total net debt applicable to limit	3,346,799	629,232	1,177,589	54,148,105	80,657,578	137,669,324	151,668,573	182,608,078	173,382,608	164,155,951
Legal debt margin	<u>\$ 148,506,553</u>	<u>\$ 154,964,272</u>	<u>\$ 183,140,923</u>	<u>\$ 137,732,346</u>	<u>\$ 149,971,286</u>	<u>\$ 97,419,435</u>	<u>\$ 106,083,366</u>	<u>\$ 77,825,689</u>	<u>\$ 203,057,187</u>	<u>\$ 214,592,234</u>
Total net debt applicable to the limit as a percentage of debt limit	2%	0%	1%	28%	35%	59%	59%	70%	46%	43%

Note: Colorado statutes limit legal debt margin to 3% of valuation, excepting general obligation debt serviced by enterprise funds and revenue bonds.

Source: Summit County Assessor's Office and Town of Breckenridge Financial Statements.

# Town of Breckenridge, Colorado

## Pledged Revenue Coverage Last Ten Years

Fiscal Year	Colorado Water Resources & Power Development Authority					Coverage
	Net Pledged	Debt Service				
	Revenues	Principal	Interest			
2015	\$ 377,900	\$ 2,765,000	\$ 104,964		0.1	
2016	\$ 377,900	\$ 3,005,000	\$ 57,197		0.1	
2017	\$ -	\$ -	\$ -		0.0	
2018	\$ 3,521,504	\$ 2,186,667	\$ 835,751		1.2	
2019	\$ 4,663,684	\$ 2,211,419	\$ 1,019,883		1.4	
2020	\$ 4,120,212	\$ 2,248,521	\$ 981,683		1.3	
2021	\$ 4,356,931	\$ 2,295,776	\$ 934,433		1.3	
2022	\$ 4,345,479	\$ 2,689,287	\$ 1,123,633		1.1	
2023	\$ 4,722,559	\$ 2,740,526	\$ 1,072,910		1.2	
2024	\$ 6,085,939	\$ 2,454,376	\$ 774,033		1.9	

Source: Town of Breckenridge Financial Statements.

Note: Details regarding the Town's outstanding debt can be found in the notes to the financial statements.

**Town of Breckenridge, Colorado**  
Demographic and Economic Statistics  
Last Ten Years

Fiscal Year	Breckenridge Population (1)	Summit County Population (2)	Median Family Income (2)(3)	School Enrollment (4)	Unemployment Rate (3)
2015	4,820	29,399	\$86,600	535	2.8%
2016	4,896	30,299	\$81,500	530	1.4%
2017	4,901	30,622	\$88,600	508	2.1%
2018	4,973	31,007	\$90,600	485	2.2%
2019	4,947	31,011	\$89,100	471	1.3%
2020	5,035	31,205	\$95,900	403	5.1%
2021	5,024	30,941	\$91,299	418	2.3%
2022	5,078	31,055	\$93,505	437	1.6%
2023	5,560	30,565	\$100,611	417	2.0%
2024	5,621	30,465	\$96,984	437	2.9%

Sources: Town of Breckenridge Planning Department, Summit County, and Colorado Department of Education (CDE).

(1) Town of Breckenridge Planning Department.

(2) Area Median Income for a family of four-Annual Government Census.

(3) Statistics only available for Summit County.

(4) CDE: RE-1 School District enrollment for Breckenridge Elementary & Upper Blue Elementary combined.

# Town of Breckenridge, Colorado

## Principal Employers Fiscal Years 2022 - 2024

### Fiscal Year 2024

Employer	Employees	Rank	Percentage of Total Town Employment
Vail Resorts Inc. <sup>1</sup>	2094	1	34%
Breckenridge Grand Vacations	475	2	8%
Town of Breckenridge	218	3	4%
Beaver Run Resort And Conference Center <sup>2</sup>	209	4	3%
City Market #30	128	5	2%
Village at Breckenridge	114	6	2%
Breckenridge BBQ (Kenosha Steakhouse and Rita's)	80	7	1%
MICASA II LLC	65	8	1%
Breckenridge Mining Company	40	9	1%
Hearthstone Restaurant	37	10	1%
Total	3,460		57%

Total Employees within the Town of Breckenridge: 6,119

### Fiscal Year 2023

Employer	Employees	Rank	Percentage of Total Town Employment
Vail Resorts Inc. <sup>1</sup>	1,678	1	27%
Breckenridge Grand Vacations	579	2	9%
Town of Breckenridge	214	3	3%
Beaver Run Resort And Conference Center <sup>2</sup>	211	4	3%
City Market #30	137	5	2%
Barbu Group	120	6	2%
Flame Group	108	7	2%
Breckenridge BBQ (Kenosha Steakhouse and Rita's)	80	8	1%
Gravity Haus	70	9	1%
Vacasa LLC	60	10	1%
Total	3,257		53%

Total Employees within the Town of Breckenridge: 6,119

### Fiscal Year 2022

Employer	Employees	Rank	Percentage of Total Town Employment
Vail Resorts Inc. <sup>1</sup>	1,643	1	27%
Breckenridge Grand Vacations	609	2	10%
Beaver Run Resort And Conference Center <sup>2</sup>	211	4	3%
Town of Breckenridge	203	3	3%
City Market #30	137	5	2%
Barbu Group	120	6	2%
Flame Group	108	7	2%
Breckenridge BBQ (Kenosha Steakhouse and Rita's)	80	8	1%
Gravity Haus	70	9	1%
Vacasa LLC	65	10	1%
Total	3,246		53%

Total Employees within the Town of Breckenridge: 6,152

<sup>1</sup> Vail Resorts Inc. includes Keystone Food & Beverage

<sup>2</sup> Beaver Run Resort & Conference Center includes Bridge Hospitality

**Town of Breckenridge, Colorado**  
**Town Government Employees by Department**  
**Last Ten Years**

	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Administration (Includes Gen Govt, Executive Mgmt, HR & MS)	14	14	13	13	13	13	13	16.0	16.0	16.8
Finance, IT, Accommodation Unit Compliance	9	9	10	11	11	11	12	13.0	14.0	13.5
Community Development (including Workforce Housing & Child Care)	13	14	15	16	16	16	16	17.0	18.0	18.9
Police	31	32	26	28	28	28	28	30.0	29.0	28.7
Public Works (includes Garage, Utility, P&T, Sustainability)	58	62	83	90	90	91	85	94.0	99.0	99.8
Recreation (includes Open Space)	24	24	26	26	27	28	29	31.0	33.0	35.7
Golf Course	3	5	5	5	5	5	5	5.0	5.0	4.9
<b>Total</b>	<b>152</b>	<b>160</b>	<b>177.85</b>	<b>189</b>	<b>190</b>	<b>192</b>	<b>188</b>	<b>206.0</b>	<b>214.0</b>	<b>218.3</b>

Source: Town of Breckenridge Payroll.

Note: Full time equivalents assigned, as of December 31st.

## Town of Breckenridge, Colorado

### Operating Indicators by Function/Program

#### Last Ten Years

<b>Function/Program</b>	2015	2016	2017	2018	2019	2020	2021	(Restated) 2022	2023	2024
<b>Public Safety</b>										
Physical arrests	558	625	690	657	723	753	369	407	265	265
Traffic violations	932	693	1,179	987	941	506	1,384	1,313	1,568	1,385
<b>Municipal Water</b>										
<b>Number of customers **</b>	<b>4,565</b>	<b>4,627</b>	<b>4,750</b>	<b>4,857</b>	<b>4,951</b>	<b>5,014</b>	<b>5,097</b>	<b>5,105</b>	<b>5,136</b>	<b>5,231</b>
Residential	4,213	4,273	4,380	4,501	4,588	4,644	4,730	4,737	4,768	4,850
Commercial	352	354	370	356	363	370	367	368	368	381
<b>Water gallons billed to customers **</b>	<b>515,679,000</b>	<b>513,790,000</b>	<b>535,967,000</b>	<b>570,670,000</b>	<b>552,747,000</b>	<b>554,584,000</b>	<b>559,053,000</b>	<b>535,816,000</b>	<b>553,385,000</b>	<b>549,238,000</b>
Residential	398,416,000	397,385,000	413,914,000	441,684,000	426,989,000	445,579,000	440,989,000	415,454,000	433,600,000	427,931,000
Commercial	117,263,000	116,405,000	122,053,000	128,986,000	125,758,000	109,005,000	118,064,000	120,362,000	119,785,000	121,307,000
Average residential daily consumption in gallons per customer per day	259	255	259	269	255	263	263	229	249	241
<b>Public Works</b>										
Street resurfacing (miles)	1.4	2.5	4.533	4.533	4.533	4.533	3.5	3.8	2.05	5.68
Resurfacing as a percentage of total street miles	2.4%	4.4%	8.0%	8.0%	8.0%	8.0%	5.4%	5.8%	3.1%	8.6%
<b>Transit</b>										
Total route miles	276,726	355,060	504,820	498,839	496,353	248,137	346,228	319,790	487,624	571,608
Passengers	748,806	885,508	1,009,179	1,174,127	1,310,282	668,409	681,671	862,602	948,400	1,208,760
<b>Administration</b>										
<b>Business licenses</b>	<b>6,228</b>	<b>6,277</b>	<b>6,561</b>	<b>6,912</b>	<b>7,338</b>	<b>7,317</b>	<b>8,224</b>	<b>8,202</b>	<b>8,762</b>	<b>8,635</b>
Administrative Licenses	144	176	197	233	254	254	272	249	270	140
Chalet Homes	2	2	2	-	-	-	1	-	-	-
In Home	154	151	158	150	158	158	170	170	163	178
In Town	575	571	574	575	587	587	577	563	544	565
Lodges	10	11	10	11	10	10	8	9	10	10
Non Profits	78	78	77	79	88	88	86	86	82	81
Owner Occupied									7	
Remote Seller									735	959
Seasonal Vendor	762	736	757	845	975	975	1,088	1,256	1,231	1,201
Short Term Rental	3,385	3,388	3,572	3,737	3,783	3,762	4,438	4,319	4,309	4,189
Vendor	1,118	1,164	1,214	1,282	1,483	1,483	1,584	1,550	1,411	1,312

Source: Town of Breckenridge Departmental Statistics.

\*\* - restatement of 2022

**Town of Breckenridge, Colorado**  
**Capital Asset Indicators by Function/Program**  
**Last Ten Years**

Function/Program	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
<b>Police</b>										
Stations	1	1	1	1	1	1	1	1	1	1
<b>Public Works</b>										
Street miles	57.51	56.73	56.73	56.73	56.73	56.73	65	65	65.5	65.94
Street lights	1,075	1,100	1,100	1,100	1,112	1,112	1,590	1,590	1,618	1,661
Traffic signals	2	2	2	2	2	2	2	2	2	2
Total Town area (mi)	5.88	6.01	6.01	6.01	6.01	6.01	6.02	6.02	6.02	6.02
<b>Culture and Recreation</b>										
Baseball, soccer and multipurpose fields	4	4	4	4	4	4	4	4	4	4
Golf (number of holes)	27	27	27	27	27	27	27	27	27	27
Indoor ice rinks	1	1	1	1	1	1	1	1	1	1
Nordic ski trails in miles *	14	14	26.7	26.7	26.7	28.5	28.5	25	24.9	25
Outdoor ice rinks	1	1	1	1	1	1	1	1	1	1
Parks	6	6	6	7	7	7	7	7	7	7
Performing Arts Theaters	2	2	2	2	2	2	2	2	2	2
Recreation Centers	1	1	1	1	1	1	1	1	1	1
Skateboard parks	1	1	1	1	1	1	1	1	1	1
Swimming Pools	2	2	2	2	2	2	2	2	2	2
Tennis courts	14	14	12	12	12	12	12	12	12	12
Trails in miles	55	55	58.2	60.75	61.73	63	63	68	68	70
<b>Municipal Water</b>										
Water mains in miles	104	104	104	104	104	104	104	104	105	106

Source: Town of Breckenridge Departmental Statistics.

\*Nordic ski trails in miles including groomed nordic ski, snowshoe and fat bike trails.

## **Compliance Section**

## Single Audit



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

Honorable Mayor and Members of the Town Council  
Town of Breckenridge, Colorado  
Breckenridge, Colorado

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of Town of Breckenridge, Colorado (the Town), as of and for the year ended December 31, 2024, and the related notes to the financial statements, which collectively comprise the Town's basic financial statements, and have issued our report thereon dated June 10, 2025.

**Internal Control over Financial Reporting**

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

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

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

Office Locations:  
Colorado Springs, CO  
Denver, CO  
Frisco, CO  
Tulsa, OK

Denver Office:  
750 W. Hampden Avenue,  
Suite 400  
Englewood,  
Colorado 80110  
TEL: 303.796.1000  
FAX: 303.796.1001  
[www.HinkleCPAs.com](http://www.HinkleCPAs.com)

**Compliance and Other Matters**

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

**Purpose of this Report**

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

*Hick & Company, PC*

Englewood, Colorado  
June 10, 2025





**Independent Auditor's Report on Compliance for Each  
Major Federal Program; Report on Internal Control over Compliance  
and Report on Schedule of Expenditures of Federal Awards Required  
by Uniform Guidance**

Honorable Mayor and Members of the Town Council  
Town of Breckenridge, Colorado  
Breckenridge, Colorado

**Report on Compliance for Each Major Federal Program**

***Opinion Report on Compliance for Each Major Federal Program***

We have audited the Town of Breckenridge, Colorado's (the Town's) compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have direct and material effect on each of the Town's major federal programs for the year ended December 31, 2024. The Town's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

In our opinion the Town complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended December 31, 2024.

***Basis for Opinion on Each Major Federal Program***

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America (GAAS); the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States (*Government Auditing Standards*); and the audit requirements of Title 2 U.S. *Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Our responsibilities under those standards and the Uniform Guidance are further described in the Auditor's Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of the Town and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on compliance for each major federal program. Our audit does not provide a legal determination of the Town's compliance with the compliance requirements referred to above.

Office Locations:

Colorado Springs, CO  
Denver, CO  
Frisco, CO  
Tulsa, OK

Denver Office:

750 W. Hampden Avenue,  
Suite 400  
Englewood,  
Colorado 80110  
TEL: 303.796.1000  
FAX: 303.796.1001  
[www.HinkleCPAs.com](http://www.HinkleCPAs.com)

***Responsibilities of Management for Compliance***

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules and provisions of contracts or grant agreements applicable to the Town's federal programs.

***Auditor's Responsibilities for the Audit of Compliance***

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on the Town's compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS, *Government Auditing Standards*, and the Uniform Guidance will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material, if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about the Town's compliance with the requirements of each major federal program as a whole.

In performing an audit in accordance with GAAS, Government Auditing Standards, and the Uniform Guidance, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the Town's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of the Town's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of the Town's internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.



### **Report on Internal Control Over Compliance**

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

Our consideration of internal control over compliance was for the limited purpose described in the Auditor's Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. Given these limitations, during our audit we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that were not identified.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

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

### **Report on Schedule of Expenditures of Federal Awards Required by the Uniform Guidance**

We have audited the financial statements of the governmental activities, each discretely presented component unit, each major fund, and the aggregate remaining fund information of the Town as of and for the year ended December 31, 2024, and the related notes to the financial statements, which collectively comprise the basic financial statements of the Town. We issued our report thereon dated June 10, 2025, which contained unmodified opinions on those financial statements. Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Town's basic financial statements. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by the Uniform Guidance and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements and certain additional procedures including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America.

*Hick & Company, PC*

Englewood, Colorado  
June 10, 2025



**Town of Breckenridge, Colorado**  
 Schedule of Expenditures of Federal Awards  
 For the Year Ended December 31, 2024

Federal Grantor/Pass-through Grantor/Program Title	Assistance Listing Number	Grant Member Pass-through Entity Identity Number	Federal Expenditures
<b>U.S. Department of Transportation</b>			
Passed through Colorado Department of Transportation			
Formula Grants for Rural Areas (Transit Operations) - Section 5311	20.509	20-HTR-ZL-03199	\$ <u>873,774</u>
<b>Total U.S. Department of Transportation</b>			<u>873,774</u>
<b>U.S. Department of Treasury</b>			
Passed through Summit County, Colorado			
Justice Center (Larkspur) Affordable Housing	21.027	176948	<u>2,545,988</u>
<b>Total U.S. Department of Treasury</b>			<u>2,545,988</u>
<b>Total Expenditures of Federal Awards</b>			<u>\$ 3,419,762</u>

See Notes to Schedule of Expenditures of Federal Awards.

**Town of Breckenridge, Colorado**  
Notes to Schedule of Expenditures of Federal Awards  
December 31, 2024

**Note 1: Basis of Presentation**

The accompanying schedule of expenditures of the Town under programs for the federal government for the year ended December 31, 2024. The information in this Schedule is presented in accordance with the requirements of Title 2 U.S. *Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Because the Schedule presents only a selected portion of the operations of the Town, it is not intended to and does not present the financial position, changes in net position, or cash flows of the Town.

**Note 2: Summary of Significant Accounting Policies**

Expenditures reported on the Schedule of Expenditures of Federal Awards are reported on the accrual basis of accounting. Such expenditures are recognized following the cost principles contained in the Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement.

The Town has elected to not use the 10 percent *de minimis* indirect cost rate as allowed under the Uniform Guidance.

**Town of Breckenridge, Colorado**  
 Schedule of Findings and Questioned Costs  
 December 31, 2024

**Section I: Summary of Auditor’s Results**

1. The opinion expressed in the independent auditor’s report was:

- Unmodified     Qualified     Adverse     Disclaimed

2. The independent auditor’s report on internal control over financial reporting described:

Significant deficiencies  Yes     None reported

Material weaknesses?  Yes     No

3. Noncompliance considered material to the financial statements was disclosed by the audit?

- Yes     No

4. The independent auditor’s report on internal control over compliance for major federal awards programs disclosed:

Significant deficiencies?  Yes     None reported

Material weaknesses?  Yes     No

5. The opinion expressed in the independent auditor’s report on compliance for major federal awards was:

- Unmodified     Qualified     Adverse     Disclaimed

6. The audit disclosed findings required to be reported by the Uniform Guidance?

- Yes     No

7. The Town’s major programs were:

<b>Cluster/Program</b>	<b>Federal Assistance Number</b>
Formula Grants for Rural Areas (Transit Operations) - Section 5311	20.509
Justice Center (Larkspur) Affordable Housing	21.027

8. The threshold used to distinguish between Type A and Type B programs as those terms are defined in the Uniform Guidance was \$750,000.

9. The Town qualified as a low-risk auditee as that term is defined in Uniform Guidance.

- Yes     No

**Town of Breckenridge, Colorado**  
Schedule of Findings and Questioned Costs  
December 31, 2024

**Section II: Financial Statement Findings**

No current year findings or questioned costs were reported.

**Section III: Federal Award Findings and Questioned Costs**

No current year findings or questioned costs were reported.

**Town of Breckenridge, Colorado**  
Schedule of Prior Year Findings  
December 31, 2024

**Findings Required to be Reported by the Uniform Guidance**

No items requiring follow up.

## **State Compliance**

<b>LOCAL HIGHWAY FINANCE REPORT</b>	STATE: <b>COLORADO</b>
	YEAR ENDING (mm/yy): <b>12/31/2024</b>
This Information From The Records Of: <b>BRECKENRIDGE</b>	Prepared By: <b>TRACEY LAMBERT TRACEYL@TOWNOFBRECKENRIDGE.COM</b>

**I. DISPOSITION OF HIGHWAY-USER REVENUES AVAILABLE FOR LOCAL GOVERNMENT EXPENDITURE**

ITEM	A. Local Motor-Fuel Taxes	B. Local Motor-Vehicle Taxes	C. Receipts from State Highway-User Taxes	D. Receipts from Federal Highway Administration
1. Total receipts available				
2. Minus amount used for collection expenses				
3. Minus amount used for nonhighway purposes				
4. Minus amount used for mass transit				
5. Remainder used for highway purposes				

**II. RECEIPTS FOR ROAD AND STREET PURPOSES**

**III. EXPENDITURES FOR ROAD AND STREET PURPOSES**

ITEM	AMOUNT	ITEM	AMOUNT
<b>A. Receipts from local sources:</b>		<b>A. Local highway expenditures:</b>	
1. Local highway-user taxes		1. Capital outlay (from page 2)	\$ 4,250,788.88
a. Motor Fuel (from Item I.A.5.)		2. Maintenance:	\$ 604,653.00
b. Motor Vehicle (from Item I.B.5.)		3. Road and street services:	
c. Total (a.+b.)		a. Traffic control operations	\$ 906,979
2. General fund appropriations	8,053,791	b. Snow and ice removal	\$ 1,738,377
3. Other local imposts (from page 2)	\$ 494,694.00	c. Other	
4. Miscellaneous local receipts (from page 2)	\$ -	d. Total (a. through c.)	\$ 2,645,356.00
5. Transfers from toll facilities		4. General administration & miscellaneous	\$ 529,071
6. Proceeds of sale of bonds and notes:		5. Highway law enforcement and safety	\$ 822,216
a. Bonds - Original Issues		6. Total (1 through 5)	\$ 8,852,084.88
b. Bonds - Refunding Issues		<b>B. Debt service on local obligations:</b>	
c. Notes		1. Bonds:	
d. Total (a. + b. + c.)	\$ -	a. Interest	
7. Total (1 through 6)	\$ 8,548,484.88	b. Redemption	
<b>B. Private Contributions</b>		c. Total (a. + b.)	\$ -
<b>C. Receipts from State government</b>		2. Notes:	
(from page 2)	\$ 303,600.00	a. Interest	
<b>D. Receipts from Federal Government</b>		b. Redemption	
(from page 2)	\$ -	c. Total (a. + b.)	\$ -
<b>E. Total receipts (A.7 + B + C + D)</b>	\$ 8,852,084.88	3. Total (1.c + 2.c)	\$ -
		<b>C. Payments to State for highways</b>	
		<b>D. Payments to toll facilities</b>	
		<b>E. Total expenditures (A.6 + B.3 + C + D)</b>	\$ 8,852,084.88

**IV. LOCAL HIGHWAY DEBT STATUS**

(Show all entries at par)

	Opening Debt	Amount Issued	Redemptions	Closing Debt
<b>A. Bonds (Total)</b>				\$ -
1. Bonds (Refunding Portion)				\$ -
<b>B. Notes (Total)</b>				\$ -

**V. LOCAL ROAD AND STREET FUND BALANCE (RECEIPTS AND DISBURSEMENTS ONLY)**

	A. Beginning Balance	B. Total Receipts	C. Total Disbursements	D. Ending Balance	E. Reconciliation
		\$ 8,852,084.88	\$ 8,852,084.88		\$ -

Notes and Comments:

**LOCAL HIGHWAY FINANCE REPORT**

STATE:  
**COLORADO**  
 YEAR ENDING (mm/yy):  
**12/31/2024**

**II. RECEIPTS FOR ROAD AND STREET PURPOSES - DETAIL**

ITEM	AMOUNT	ITEM	AMOUNT
<b>A.3. Other local imposts:</b>		<b>A.4. Miscellaneous local receipts:</b>	
a. Property Taxes and Assessments	\$ 295,808	a. Interest on investments	
b. Other local imposts:		b. Traffic Fines & Penalties	
1. Sales Taxes		c. Parking Garage Fees	
2. Infrastructure & Impact Fees		d. Parking Meter Fees	
3. Liens		e. Sale of Surplus Property	
4. Licenses		f. Charges for Services	
5. Specific Ownership &/or Other	\$ 198,886	g. Other Misc. Receipts	
6. Total (1. through 5.)	\$ 198,886.00	h. Other	
c. Total (a. + b.)	\$ 494,694.00	i. Total (a. through h.)	\$ -
<i>(Carry forward to page 1)</i>		<i>(Carry forward to page 1)</i>	

ITEM	AMOUNT	ITEM	AMOUNT
<b>C. Receipts from State Government</b>		<b>D. Receipts from Federal Government</b>	
1. Highway-user taxes (from Item I.C.5.)	\$ 281,421	1. FHWA (from Item I.D.5.)	
2. State general funds		2. Other Federal agencies:	
3. Other State funds:		a. Forest Service	
a. State bond proceeds		b. FEMA	
b. Project Match		c. HUD	
c. Motor Vehicle Registrations	\$ 22,179	d. Federal Transit Administration	
d. DOLA Grant		e. U.S. Corps of Engineers	
e. Other		f. Other Federal ARPA	
f. Total (a. through e.)	\$ 22,179.00	g. Total (a. through f.)	\$ -
4. Total (1. + 2. + 3.f)	\$ 303,600.00	3. Total (1. + 2.g)	\$ -
<i>(Carry forward to page 1)</i>		<i>(Carry forward to page 1)</i>	

**III. EXPENDITURES FOR ROAD AND STREET PURPOSES - DETAIL**

	ON NATIONAL HIGHWAY SYSTEM (a)	OFF NATIONAL HIGHWAY SYSTEM (b)	TOTAL (c)
<b>A.1. Capital outlay:</b>			
a. Right-Of-Way Costs			\$ -
b. Engineering Costs			\$ -
c. Construction:			
(1). New Facilities			\$ -
(2). Capacity Improvements			\$ -
(3). System Preservation		\$ 4,250,788.88	\$ 4,250,788.88
(4). System Enhancement And Operation			\$ -
(5). Total Construction (1)+(2)+(3)+(4)	\$ -	\$ 4,250,788.88	\$ 4,250,788.88
d. Total Capital Outlay (Lines 1.a. + 1.b. + 1.c.4)	\$ -	\$ 4,250,788.88	\$ 4,250,788.88
<i>(Carry forward to page 1)</i>			

Notes and Comments:



# Memo

**To:** Breckenridge Town Council Members  
**From:** Mark Truckey, Director of Community Development  
**Date:** June 4, 2025  
**Subject:** Planning Commission Decisions of the June 3, 2025 Meeting

---

***DECISIONS FROM THE PLANNING COMMISSION MEETING, June 3, 2025:***

**CLASS A APPLICATIONS:** None.

**CLASS B APPLICATIONS:** None.

**CLASS C APPLICATIONS:**

1. [DuBois Residence Addition, 20 Timber Hill Drive, PL-2025-0105:](#)  
A proposal to construct a 938 sq. ft. addition to an existing 3,026 sq. ft. single family residence.  
*Approved.*

**TOWN PROJECT HEARINGS:** None.

**OTHER:** None.



NOT TO SCALE



DuBois Residence  
Addition, 20  
Timber Hill Dr.

# Breckenridge South



## PLANNING COMMISSION MEETING

The regular meeting was called to order at 5:32 pm by Chair Guerra.

### ROLL CALL

Mike Giller <b>absent</b>	Mark Leas	Allen Frechter	Matt Smith
Ethan Guerra	Elaine Gort	Susan Propper	

### APPROVAL OF MINUTES

With no changes, the May 20, 2025 Planning Commission Minutes were approved.

### APPROVAL OF AGENDA

With no changes, the June 3, 2025 Planning Commission Agenda was approved.

### PUBLIC COMMENT ON HISTORIC PRESERVATION ISSUES:

- None.

### CONSENT CALENDAR:

1. DuBois Residence Addition (CC), 20 Timber Hill Drive; PL-2025-0105

With no call ups, the Consent Calendar was approved as presented.

### OTHER MATTERS:

1. State of the Open Space Report

Duke Barlow, Open Space & Trails Manager, presented the annual State of the Open Space Report.

Mr. Leas: What is the intent of acquisitions? (Mr. Truckey: It's not so much about the mining potential, it's more about preventing development, protecting the backcountry, and providing recreation.)

Ms. Gort: Asked about QR codes on open space signage. (Mr. Barlow: We're exploring that as an option.)

Mr. Leas: Who is the target audience for the environmental education? (Mr. Barlow: They're certainly kid-friendly. There are foraging hikes, birding, flora, fauna, and other naturalist topics. It's family-friendly and adaptable.)

Mr. Frechter: What is the strategy about trash receptacles at the trailheads? (Mr. Barlow: I think that philosophy is shifting. The traditional philosophy has been to expect people to pack out their stuff, but it's shifting to providing more receptacles to accommodate the trash.) (Mr. Kulick: Remote waste receptacles become convenient dumping places, whereas if it's in an area with more eyes you don't get as much dumping. The physical conditions of snow for a lot of the year are also a factor in people not picking up dog poop.)

Mr. Smith: Is the website feature for reporting trail conditions going to be an app? (Mr. Barlow: Potentially. It does have functionality in real time via a browser on your phone.) (Mr. Kulick: There is also app fatigue to contend with.)

Ms. Gort: Is there a way for external wayfinding apps to point users to our webpage? (Mr. Barlow: Thanks for the idea, there may be a way to do that.)

Mr. Frechter: Some of the most popular trails could have signs to direct different users where to walk on a single trail, especially trails with Nordic ski tracks so hikers do not disrupt the tracks.

Ms. Gort: There is no pedestrian access down Tiger Road. Are there any plans for that area? (Mr. Barlow: To build a pedestrian route along Tiger was \$1.5 million when we recently considered it, but it is something we want to do and there is user demand.)

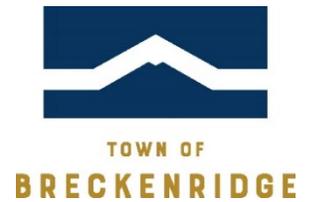
2. Town Council Summary

**ADJOURNMENT:**

The meeting was adjourned at 6:47 pm.

---

Ethan Guerra, Chair



# Memo

To: Town Council

From: Laurie Best – Director of Housing  
Melanie Leas- Housing Project Manager  
Keely Ambrose-Town Attorney

Date: 6/2/2025 (for 6/10/2025)

Subject: Developer Agreement for Runway Neighborhood (Second Reading)

### Town Council Goals (Check all that apply)

- |   |   |
|---|---|
| <input checked="" type="checkbox"/> More Boots & Bikes, Less Cars         | <input checked="" type="checkbox"/> Leading Environmental Stewardship   |
| <input checked="" type="checkbox"/> Deliver a Balanced Year-Round Economy | <input checked="" type="checkbox"/> Hometown Feel & Authentic Character |
| <input type="checkbox"/> Organizational Need                              |   |

### Summary

The ordinance approving the Developer Agreement for Runway Neighborhood is presented for second reading. The Council approved the first reading of the ordinance on May 27<sup>th</sup> and there has been one minor, non-substantive change in Section 26b.i since first reading. This change corrected a minor misprint. This Agreement establishes the framework for the development of the Runway Neighborhood and defines roles, responsibilities, and obligations of the Town and the Developer. The ordinance and the Developer Agreement are attached for your review. Staff recommends approval on second reading.

### Overview of Agreement

Pursuant to the Agreement, the Town will contribute the Runway property and funding, and the Developer will construct public improvements (infrastructure/site work) subject to an approved Guaranteed Maximum Price (GMP) and will build and sell up to 148 units deed restricted units to target low- and middle-income families. The project is phased to protect all parties, and the Developer may not proceed with any construction without Council approval of the GMP/budget. The goal is to ensure that the cost of the project is consistent with the Town's expectations and ensure the project can be paused or postponed indefinitely should there be issues with market or economic conditions. Please note that the budget for the Phase 1 infrastructure is also scheduled for your consideration on June 10<sup>th</sup>. If approved, staff anticipates construction will start this summer. The first phase of vertical construction is projected to start in 2026 pending Council approval of the final vertical budget/subsidy.

### Public outreach/engagement

No changes to the initial plan.

### Financial Implications

The updated GMP for the Phase 1 infrastructure is \$24M and the construction will take 3-5 years. This includes the public improvements (roads, utilities, site work, etc.) for Phase 1 of the neighborhood. As noted in the Agreement, there will be several budget checks prior to launching any vertical construction. The Finance Department's recent cash flow report, which indicates the Town's financial well-being, demonstrates that the Town can absorb the funds necessary to produce Phase 1 of the project.

### Equity Lens

No changes.

### Staff Recommendation

Staff recommends approval of the second reading of the ordinance authorizing execution of the Developer Agreement for Runway Neighborhood. Staff will be available for questions.

1 COUNCIL BILL NO. \_\_\_\_

2  
3 Series 2025

4  
5 **AN ORDINANCE APPROVING THE RUNWAY NEIGHBORHOOD PROJECT**  
6 **DEVELOPER AGREEMENT.**  
7

8 WHEREAS, the Town owns the real property described in Exhibit A attached hereto and  
9 incorporated herein by this reference (the "Property"); and

10 WHEREAS, on May 23, 2024, the Town issued a request for proposals ("RFP"), seeking  
11 developers interested in developing the Property; and

12 WHEREAS, Runway Neighborhood, LLC ("Developer") responded to the RFP, and  
13 desires to construct a deed-restricted workforce housing neighborhood (hereinafter referred to as  
14 the "Town Project") on a portion of the Property; and

15 WHEREAS, the Town is willing to contribute the Property to Developer for the Town  
16 Project, subject to the terms of the Agreement; and

17 WHEREAS, the Town is also willing to contribute financially to the Town Project provided  
18 the deed restricted housing is sold at agreed-upon affordable prices; and

19 WHEREAS, on August 13, 2024, Runway Neighborhood Infrastructure, LCC, which is  
20 owned by the same parent company as Developer, and Town entered into a Pre-Development  
21 Agreement for Services to perform preliminary planning tasks including site analysis, schematic  
22 design, and a master plan; and

23 WHEREAS, the Parties have negotiated a project Developer Agreement, Exhibit B  
24 attached hereto, to develop the Town Project; and

25 WHEREAS, as part of the approval of the project Developer Agreement, Council wishes  
26 to authorize the Town Manager to execute all additional documents required or necessary to  
27 effectuate the Town Project and the Developer Agreement.

28 NOW, THEREFORE, BE IT ORDAINED BY THE TOWN COUNCIL OF THE TOWN OF  
29 BRECKENRIDGE, COLORADO:  
30



1  
2  
3  
4  
5  
6  
7  
8  
9  
10  
11  
12  
13  
14  
15  
16  
17  
18  
19

**EXHIBIT A**

**Runway Neighborhood**

Tract A Fraction Subdivision  
according to the plat recorded December 17, 2021 under reception number 1278464 in  
Summit County Colorado

AND

Tract C, Block 11 Subdivision  
according to the plat recorded August 3, 2005 under reception number 797050 in  
Summit County Colorado

## Runway Housing Project Developer Agreement

THIS DEVELOPER AGREEMENT (the "Agreement") is made and entered into as of the effective date below in Section 27 (the "Effective Date"), by and between the Town of Breckenridge, Colorado, a Colorado home rule municipality with an address of P.O. Box 168 Breckenridge Colorado 80424 (the "Town"), and The Runway Neighborhood, LLC, a Colorado limited liability company with an address of P.O. Box 5540 Frisco, Colorado 80443 ("Developer") and The Runway Neighborhood Infrastructure, LLC, a Colorado limited liability company with an address of P.O. Box 5540 Frisco, Colorado 80443 ("Infrastructure Developer") (each individually a "Party" and collectively, the "Parties").

WHEREAS, the Town owns the real property described in **Exhibit A**, attached hereto and incorporated herein by this reference (the "Property"); and

WHEREAS, on May 23, 2024, the Town issued a request for proposals ("RFP"), seeking developers interested in developing the Property; and

WHEREAS, Developer responded to the RFP, and wishes to construct deed-restricted workforce housing on a portion of the Property; and

WHEREAS, the Town is willing to contribute the Property to Developer for the Project, subject to the terms of this Agreement; and

WHEREAS, the Town is also willing to contribute financially (hereinafter "Town financial contribution") to the project provided the deed restricted housing is sold at affordable prices; and

WHEREAS, on August 13, 2024, the Infrastructure Developer, which is owned by the same parent company as Developer, and the Town entered into a Pre-Development Agreement for Services ("PDA") to perform preliminary planning tasks including site analysis, schematic design, and a master plan; and

WHEREAS, the Town and the Infrastructure Developer are concurrently negotiating a Guaranteed Maximum Price ("GMP") Agreement for the construction of Horizontal Phase I infrastructure improvements on the Property; and

WHEREAS, the Parties desire to set forth the framework for the potential development of workforce housing on a portion of the Property in accordance with the terms and conditions set forth herein.

NOW, THEREFORE, for the consideration hereinafter set forth, the receipt and sufficiency of which are hereby acknowledged, the Parties hereby agree as follows:

1. Purpose. The purpose of this Agreement is to establish roles and responsibilities regarding the development of workforce housing on the Town-owned property described in Exhibit A.

2. Definitions.

a. "Planning Documents" means the approved plans for development of the Property including the Master Plan, Class A Development Permits, and plats creating the lots for the Property, and any approved site plans for the Property.

b. "Restricted Units" means the residential dwelling units in the Development subject to a Restrictive Housing Covenant, as set forth in more detail in Section 13.

c. "Development" means a deed-restricted workforce housing project to be developed on a portion of the Property as described in the Planning Documents.

d. "Budget" means the financial budget approved by Town Council for the construction of both horizontal and vertical improvements on the Property, which shall include the Town's financial contribution, Developer's warranty obligations, Developer's Incentive, and the agreed upon sale prices for the Vertical Construction Phase being constructed as set forth more fully in Section 9 below. The Budget may be revised to reflect current pricing prior to being presented to Town Council for approval as part of the authorization for Vertical Phase I and II. For the avoidance of doubt, approval of the Budget for any Horizontal Phase does not constitute approval of the Budget for Vertical Phase I or II. After final authorization, the Budget may be further revised to reflect modifications to the Development plan but such revisions shall only take effect upon Town Council approval.

e. "Developer's Incentive" means a 70-30 split in favor of the Town of net cost-savings achieved on actual construction of the Horizontal Phases and Vertical Construction Phases, not including any contingency. Such Incentive shall be calculated and paid out at the completion of each Horizontal and Vertical Construction Phase.

3. Master Plan. The Parties agree that it is most efficient and in the best interests to the success of the Project to use the approved master plan for the Development (the "Master Plan"). The Master Plan was approved by Council on May 13, 2025.

4. Phased Development. The Parties recognize that the Development will be developed in phases, and such phasing shall be reflected in the Planning Documents and this Agreement. At this time, it is anticipated that the Development will have two horizontal construction phases ("Horizontal Phases I and II") and two vertical construction phases ("Vertical Construction Phase I and Phase II"). It is an essential element of this Agreement that Town affirmatively authorize the commencement of Vertical Construction Phases I and II as well as Horizontal Phase II. Upon execution of this Agreement and Council approval and execution of the Budget and GMP Agreement, Infrastructure Developer is responsible for proceeding with the Horizontal Phase I. Upon authorization of Vertical Construction Phase I, including a Budget, by Town Council at a public meeting, Developer will be responsible for proceeding with the construction of Vertical Construction Phase I as set forth in the Planning Documents, but shall not be authorized to commence Horizontal Phase II or Vertical Construction Phase II until the Town so directs. Authorization to commence Horizontal Phase II and Vertical Construction Phase II,

including a Budget, shall occur at a public meeting of the Town Council. The parties will mutually agree on sale phases for each Vertical Construction Phase.

5. Number of Units. The total number of units allowed in the Development is one hundred and forty-eight (148) deed-restricted workforce single family, duplex, and multi-family units. There will be no less than eighty-one (81) units in Vertical Construction Phase I.

6. Affordable Housing. The Developer shall develop 100% of the units as for-sale single family, duplex, or multi-family Deed Restricted Units that target lower and middle income families in accordance with the individual unit pricing set forth in the approved Budget.

7. Town Obligation/Investments. In addition to the Property, the Town agrees to contribute funding for the Development, which shall be set forth in the Budget. The Budget will include all costs associated with the Development including infrastructure (on and offsite), site work (on and offsite), architecture, vertical construction, marketing, sales, outreach, etc. The Budget must also include all projected sales revenue based on specified target sales prices. In the event the Town and the Developer do not agree on the Budget or the Town and the Infrastructure Developer do not agree on the GMP Agreement for Horizontal Phase I, either Party may terminate this Agreement. If either Party or the Parties terminate this Agreement under this Section 7, the Town will provide payment for services and costs to date pursuant to the PDA and neither party shall have any further obligation to each other. Upon approval of the Budget and GMP Agreement, it is anticipated that the Town will provide funding for the on and off-site work and infrastructure performed by the Infrastructure Developer by monthly draw based on the bills paid and work completed, including draw(s) in advance of the start of construction for deposits and reimbursable costs such as engineering, architecture surveying and other incidental expenses as required by Developer and Infrastructure Developer. The details of payment and scope of work for Horizontal Phase I will be set forth in the GMP Agreement. Any remaining subsidies for Vertical Phase I and II identified in the Budget shall be paid based on the number of units for which building permits are submitted at any one time (each set of building permits to be referred to as a "Construction Phase").

8. Schedule. Developer shall complete construction of the Project substantially in compliance with the schedule attached hereto as **Exhibit B** and incorporated herein by reference. Said schedule is a good faith target schedule and may be subject to adjustment for delays in approvals, pre-sales, financing, force majeure, and delays due to shortage of materials, weather, or other similar reasons beyond the reasonable control of Developer, or other such reasonable factors mutually agreed upon in writing by the Parties. As noted in Section 4 above, Vertical Construction Phase I, Horizontal Phase II, and Vertical Construction Phase II of the Development shall not commence until approved by the Town in general accordance with the schedule as set forth in Exhibit B.

9. Transfer of Property.

a. At the Fall 2025 financial review that is reflected in Exhibit B and prescribed below in Section 23(e), the Town and Developer will review current pricing for the construction of Vertical Construction Phase I, compare it to the Budget previously approved, evaluate overall market conditions, and subsequently present a recommendation to the Town Council regarding the financial feasibility of moving forward with Vertical Construction Phase I. If the Town Council agrees that it appears financially feasible at that time to make a preliminary authorization to proceed with Vertical Construction Phase I, the Town shall transfer ownership of the portion of the Property described in **Exhibit A** associated with Vertical Construction Phase I to Developer in accordance with the Planning Documents, by special warranty deed to facilitate the timely financing, development, and sale of Vertical Construction Phase I of the Project. The preliminary authorization contemplated in this Paragraph 9(a) does not constitute final approval for the Budget for Vertical Construction Phase I or final authorization to commence construction of Vertical Construction Phase I. In the event the Property is transferred pursuant to this Section 9(a), the following conditions apply:

i. Developer may not encumber in the Property in any way, including as contemplated in Section 14 below, until Vertical Construction Phase I is finally approved and authorized by Town Council.

ii. If the Town has not affirmatively and finally authorized Vertical Construction Phase I within one year of the transfer, or if this Agreement is terminated pursuant to any provision set forth in Section 26, Developer will re-convey the unencumbered Property back to the Town.

b. The Phase II portion of the Property shall be transferred to Developer promptly upon the Town approving Vertical Construction Phase II pursuant to Section 4 above. The Town Council may approve Horizontal Phase II with or without approving Vertical Construction Phase II, if the parties agree on a new GMP Agreement for Horizontal Phase II.

c. Closing agent for transfer of title shall be Land Title Guarantee Company. The Town shall pay for owner's extended title insurance coverage and any costs associated with the closing agent. Developer shall pay for any endorsements required by it or Developer's lender. Developer shall pay the deed recording fees. The Town shall pay any other closing costs. The special warranty deeds shall only be subject to the exceptions of title listed on the title commitment approved by Developer, which approval shall not be unreasonably withheld.

#### 10. Default.

a. Prior to any action against Developer for breach of this Agreement, or default in the Development, the Town shall give Developer a written notice of any claim by the Town of a breach or default by Developer, and Developer shall have the opportunity to cure such alleged default within thirty (30) days, unless such cure cannot be accomplished within such time period, and in such case for a reasonable period to

accomplish the same, not to exceed ninety (90) days. The Town shall have discretion to approve a longer period in the event of extraordinary circumstances.

b. In the case of any such uncured default, the Town reserves the right to proceed with assumption of all rights and responsibilities of the Developer for the Phase of the Development that is subject to such default. In addition, any such case of uncured default may result in the Town proceeding to terminate this Agreement for cause as set forth in Section 26(a).

c. The remedies set forth in this Agreement are the sole and exclusive remedies available to the Parties for any breach or default under this Agreement. Each party acknowledges that the remedies provided herein are adequate and sufficient, and waives any right to seek additional remedies, whether at law or in equity, including but not limited to consequential, incidental, or punitive damages.

11. Reverter Clause. In the case of a default or termination pursuant to Section 26, and after any and all cure periods during which Developer fails to cure, any and all Property interests, including the Property described in **Exhibit A**, that have been conveyed to the Developer, which remain in the Developer's ownership and control, and that have not been conveyed to individual homeowners, homeowner's associations, the Town of Breckenridge, special districts or other governmental or quasi-governmental entities, shall be conveyed back to the Town in the same manner and upon the same or similar terms as conveyed to Developer under Section 9.

12. Developer Employee Unit. The Parties agree that one (1) unit that will be reserved for sale to one of Developer's contractors, subcontractors, or employees ("Developer Employee"). The unit shall be reserved and sold in one of the first two sales phases of Vertical Development Phase I and shall be one of the single-family home units. Developer Employees seeking to purchase one of the Developer Employee Units shall meet the applicable income requirements and all other qualifying criteria as set forth in the Restrictive Housing Covenant and/or the Town's Housing Rules and Regulations. If the unit is not purchased by a Developer Employee by the time the first two sale phases in Vertical Construction Phase I are completed, Developer will have no further right to any unit in Vertical Construction Phase I or II.

13. Restrictive Housing Covenant. The Town shall, prior to any transfer of the Property to Developer, record a Restrictive Housing Covenant against the Property mutually acceptable to the parties. The Town will allow the Restrictive Housing Covenant to be subordinate to any financing associated with the Development.

14. Financing. Developer shall be solely responsible to procure financing for the Vertical Construction Phases I and II of the Project. Any instrument of encumbrance to be recorded by the lender, such as a deed of trust or a lien ("Encumbrance"), must adhere to two preconditions, as follows: (i) reasonably related to the development of the parcel or phase so encumbered as contemplated herein; and (ii) be approved in writing by the Town prior to execution by Developer (which approval will not be unreasonably withheld), and prior to any recordation of any such Encumbrance. Any Encumbrance that does not

satisfy these preconditions shall be deemed a violation of this Agreement, and subject to timely correction or cure, and if not so corrected or cured in accordance with Section 26(b) herein, shall be deemed a default and subject to termination for cause. In addition to the foregoing remedy, the parties hereto agree that any such improper Encumbrance not timely corrected or cured shall be deemed null and void and of no force or effect, and Developer shall assume all responsibility for the ramifications of such nullification.

15. Inspection of Developer Books and Records. Except for the Developer's financing documents, the Developer shall maintain all books and records related to the Project and make them available for inspection upon the Town's request. Notwithstanding the foregoing, if the Town has reasonable cause to believe that Developer cannot complete the Project, the Town may request to review the financing documents of the Developer at which time the Developer may assert that such financing documents are confidential records for purposes of Colo.Rev.Stat. § 24-72-204. For purposes of this section "financing documents" includes all records of Developer regarding the loan(s), excluding documentation as to the loan terms and the Encumbrance which is subject to disclosure under Section 14.

16. Developer Fee. Developer shall receive a fee for vertical construction and the Infrastructure Developer shall receive a fee for construction of the infrastructure in the amount of 4.0% on all costs and expenses for the Development as set forth in the Budget, excluding only those certain items identified as exclusions in the Budget. The final Developer Fee shall be as set forth in the Budget.

17. Authority; Independent Contractor Status. Developer shall have no right, authority or power to bind the Town for any claim for labor or for material or for any other charge or expense incurred in delivering the Development or performing any alteration, renovation, repair, refurbishment or other work. The Parties shall be treated as independent contractors to this Agreement and Developer shall not be considered the agent of the Town in the construction, erection or operation of the Development.

18. Fees and Taxes. The Parties agree that each unit subject to a Restrictive Covenant within the Development shall not be required to pay building permitting, plan review, and inspection fees, use taxes, impact fees, excise taxes or water PIFs. These taxes and fees will be waived by the Town.

19. Marketing Units. The Developer intends to contract for marketing and sales services. The Town and Developer agree to establish a mutually acceptable marketing plan with criteria and processes to ensure broad marketing throughout the community. The Developer will utilize the Summit Combined Housing Authority (SCHA) for qualification and lottery purposes, and the Town will assist in ensuring efficient and timely processes for qualifying applicants.

20. Sales. In the event transfer of title to a unit subject to a Restrictive Covenant is not completed within three (3) months from the earlier of the date of certificate of occupancy or the date a contracted buyer dropped out, in either case due to market

conditions and at no fault of Developer, the Parties agree that the following events shall occur in the order set forth below:

a. The Developer shall send a written notice (“Developer Notice”) to the Town of the Town’s option to purchase a unit at the price set forth in the approved Budget, which may be exercised within ten (10) days of such notice being given by the Town to the Developer (“Town Notice”). If the Town exercises its option within such 10-day period, the Town shall close on such purchase and sale within thirty (30) business days of receipt of the Developer Notice.

b. If the Town does not elect to purchase the unit under subsection a, Developer may exercise its option to rent a unit to a qualified renter at a rate mutually agreed to in writing by the Parties that is no greater than the rental rate equivalent of the targeted sale price AMI.

c. In the event that the Developer, in conjunction with the SCHA, has exhausted the lottery list of potential buyers, and has unsold units, Developer may sell such units to any qualified buyer pursuant to the terms of the Restrictive Covenant.

21. Compliance with Law. Developer shall comply with all applicable laws, including without limitation all current and future federal, state and local statutes, regulations, ordinances and rules relating to: the emission, discharge, release or threatened release of a Hazardous Material into the air, surface water, groundwater or land; the manufacturing, processing, use, generation, treatment, storage, disposal, transportation, handling, removal, remediation or investigation of a Hazardous Material; and the protection of human health, safety or the indoor or outdoor environment, including (without limitation) the Comprehensive Environmental Response, Compensation and Liability Act, 42 U.S.C. § 9601, *et seq.* (“CERCLA”); the Hazardous Materials Transportation Act, 49 U.S.C. § 1801, *et seq.*; the Resource Conservation and Recovery Act, 42 U.S.C. § 6901, *et seq.* (“RCRA”); the Toxic Substances Control Act, 15 U.S.C. § 2601, *et seq.*; the Clean Water Act, 33 U.S.C. § 1251, *et seq.*; the Clean Air Act; the Federal Water Pollution Control Act; the Occupational Safety and Health Act; all applicable Colorado environmental laws; and all other federal, state or local laws and regulations relating to, or imposing liability or standards of conduct concerning any hazardous, toxic or dangerous waste, substance or material, now or at any time hereafter in effect.

22. Public Improvements.

a. Guaranteed Maximum Price Proposal. Infrastructure Developer agrees to complete both on-site and off-site public improvements (the “Public Improvements”), subject to the GMP Agreement.

b. Final Acceptance and Dedication. Upon completion of the Public Improvements and upon final acceptance by the Town, Developer shall convey title to the Public Improvements to the Town at which time the Town shall become responsible for the operation and maintenance of the same.

c. Warranty. Infrastructure Developer warrants and guarantees that, for two (2) years from the date of acceptance, each Public Improvement: is not defective; will not fail; has been constructed and installed in a workmanlike manner suitable for its intended uses; has been constructed in compliance with applicable federal, state, municipal, and special district statutes, ordinances, regulations, rules, and codes.

23. Developer's Obligations.

a. Workforce Housing and Warranty. In accordance with this Agreement, Developer agrees to construct the Restricted Units in the Project. All units will be sold with a two-year warranty from date of certificate of occupancy.

b. Homeowners' Association. Developer shall create the Runway Homeowners' Association (the "HOA"), which shall be responsible for the enforcement of the Declarations and Covenants for the Runway and the Architectural Standards for the Development. Such Declarations and Covenants shall be approved by the Town prior to adoption. The HOA shall also be responsible for the repair and maintenance of: any unique lighting in the Development; any unique signage for the Development; all internal trails and open/green spaces not maintained by the Town; all dumpster enclosures and mailboxes; all private roads and alleys shown on the Planning Documents; and all other items not required by applicable Town standards. The HOA shall not be responsible for repair, maintenance, or operation of any recycling/composting facilities.

c. Architecture. Developer shall develop the Property consistent with the Planning Documents. Architectural Standards for the Development shall be included in the Declaration and Covenants, or separate document, for the Development and shall be enforced by the HOA.

d. Financial Obligations. Infrastructure Developer is obligated to stay within the approved Budget for each Horizontal Phase and Developer is obligated to stay within the approved Budget for each Vertical Phase. The Developer shall provide regular status updates to the Town, through scheduled meetings and/or written reports, as mutually agreed. These updates shall, at a minimum, address progress on the Project and shall include, as appropriate, the hard bids for both horizontal and vertical construction prior to the Developer executing any contracts or agreements. In addition, the Developer shall provide quarterly reports to Town staff that include updates on Project costs, highlighting any fluctuations in construction expenses and significant soft cost items, such as insurance premiums and loan interest, review of the Budget and Schedule, and any other material information relevant to the development process. In the event of unforeseen increases in the cost of construction that are outside the control of Developer, Developer and Town will meet and confer regarding how to address and resolve such cost increases.

e. Timeline for Completion. Developer shall complete each Construction Phase within 18 months of the final framing inspection for the last unit in the phase; failure to do so shall be considered a breach of the Agreement and entitle Town to terminate for cause pursuant to Section 26(a).

24. Insurance. Developer agrees to procure and maintain, at its own cost, a policy or policies of insurance sufficient to insure against all liability, claims, demands, and other obligations assumed by Developer pursuant to the Development Agreement and naming the Town as an additional insured.

25. Term. The Effective Date of this Agreement shall be in accordance with Section 5.9 of the Municipal Charter and remain effective until all obligations of each Party are completed or until terminated as permitted herein.

26. Termination; Delay.

a. Termination by Town for Cause. Town may terminate the services of the Developer for cause, and take possession of the Project and all materials deemed part of the Project; provided, however, Town will reimburse Developer for any materials not already paid for by Town. The termination shall be effective thirty (30) days after Town has delivered written notice detailing the cause for termination hereunder to the Developer if the Developer has failed to reasonably cure the cause for termination within that thirty (30) day period; unless such cure cannot be accomplished within such time period, and in such case after a reasonable period to accomplish the same, not to exceed ninety (90) days. The Town shall have discretion to approve a longer period in the event of extraordinary circumstances. The termination may be initiated for any of the following reasons and shall not prejudice any other right or remedy available to Town, all of which shall be subject to the notice and thirty (30) day period to cure provided herein:

- i. The Developer is adjudged bankrupt or insolvent.
- ii. The Developer makes a general assignment for the benefit of his creditors.
- iii. A trustee or receiver is appointed for the Developer or for any of his property.
- iv. The Developer files a petition to take advantage of any debtor's act or to reorganize under any bankruptcy law.
- v. The Developer repeatedly fails to supply sufficiently skilled workers, or necessary materials or equipment to maintain the construction schedule or provide quality workmanship and/or product.
- vi. The Developer disregards laws, ordinances, rules, regulations, or orders of any public body having jurisdiction of the Development.
- vii. The Developer unreasonably and repeatedly disregards the authority of the Town as Property Owner or collaborator under this Agreement, after written notice of such concerns and failure to correct such actions.
- viii. The Developer violates any material provision of the Agreement and fails to cure the same within the proper time frame for cure allotted herein.
- ix. Notification by the lender of the Development of financial default by the Developer.
- x. Substantial change in the controlling ownership of Developer.

After termination is effectuated, Town may proceed to finish the Development by whatever method it deems most expedient. Developer will present all final invoicing to the Town within thirty (30) days of Termination for payment by the Town.

b. Termination by Town for Convenience. Town may also elect to suspend or abandon the Project and terminate the Agreement for convenience. The action shall be effective thirty (30) days after Town has delivered written notice to the Developer. This action may be initiated for any reason, without cause, and shall not prejudice any other right or remedy available to Town. The following payment provisions apply:

- i. In the event the Town terminates the Agreement prior to the authorization of Vertical Construction Phase I, the Developer shall be paid for all Development executed and any costs and expenses incurred, including payment of the Developer Fee to Infrastructure Developer for Horizontal Phase I construction ~~\_, and Vertical Construction Phase I construction~~ incurred up until the date of termination.
- ii. In the event the Town terminates the Agreement after the authorization of Vertical Construction Phase I, but prior to the authorization of Vertical Construction Phase II, the Developer shall be paid for all Development executed and any costs and expenses incurred, including the Developer Fee for Horizontal Phase construction and the entire Developer Fee for Vertical Phase I as set forth in the Budget.
- iii. In the event the Town terminates the Agreement after the authorization of Vertical Phase II, the Developer shall be paid for all Development executed and any costs and expenses incurred, including the Developer Fee for Horizontal Phase construction and the entire Developer Fee for Vertical Phase I and II as set forth in the Budget.
- iv. For purposes of this subsection (b), the term “costs and expenses incurred” shall include Developers costs and expenses resulting from Developer’s performance under this Agreement as well as additional commercially reasonable costs and expenses related to the termination.

c. Termination by Developer. Developer may terminate the Agreement for any of the following reasons. The termination shall be effective thirty (30) days after the Developer has delivered written notice to Town, and provided a fourteen (14) day opportunity to cure:

- i. Town has suspended the Development for more than sixty (60) days, which suspension is not a result of the Town exercising its options under Sections 26(a) and (b).
- ii. Town has been issued a stop work order of sixty (60) days or more by court order or other competent public agency.
- iii. The Town fails to act on any request for payment within thirty (30) days after its submittal.
- iv. Town fails to pay the Developer within (30) thirty days the sum approved by the Town or awarded by arbitrators or court.
- v. The Town repeatedly fails to respond to requests for approvals and other information required in a timely manner to allow Developer to meet its obligations and operate within the construction periods permitted due to seasonal constraints.

vi. Town fails to meet any other material obligations under this Agreement, the Planning Documents or the ancillary development agreement for public improvements.

d. Payment to Developer. Subsequent to Termination under any provision in this Section 26, Developer shall provide a complete accounting up to the effective date of Termination of Development executed, costs and expenses incurred, and Developer Fee incurred within thirty (30) days of the effective termination date. The Developer shall have the option of resuming work after such payment or proceeding with termination in the event of termination under Section 26.c. If the Agreement is terminated pursuant to Section 26.c., and in the event Developer does not elect to resume work as relates to termination under Section 26.c., the Developer shall also be entitled to payment for all Development executed and any costs and expenses incurred, plus the remaining Developer Fee for the Vertical Construction Phase the Project was in at the time of termination.

e. Ownership of Planning and Construction Documents. The Planning Documents and all architectural, engineering, construction and similar plans are owned by Developer. In the event of termination of this Agreement under any provision, the ownership of all Planning Documents shall transfer from Developer to the Town. For purposes of this Section, "Planning Documents" shall not include architectural, engineering and construction plans and documents for the vertical construction that are not already owned by Town.

f. Town Assumption of Development. In the event the Town assumes completion of the Development under Section 10, or under any other provision of this Agreement, or the Agreement is terminated pursuant to Section 26, Developer is released from any and all further obligations under this Agreement excluding warranties for work completed prior to termination or assumption.

27. Miscellaneous.

a. Indemnification

i. To the fullest extent permitted by law, and in accordance with Section 13-50.5-102, C.R.S., Developer shall indemnify and hold Town, its officers, employees, and insurers, harmless from and against all liability, claims, and demands brought or asserted against Town by a third party (a party who is not a party to the Agreement) on account of injury, loss, or damage, including, without limitation, claims arising from bodily injury, personal injury, sickness, disease, death, property loss or damage, or any other loss of any kind whatsoever, whether alleged, adjudicated, or otherwise, related to or in any manner connected with the Agreement, to the extent that such injury, loss, or damage is caused by Developer's negligence or other fault, or the negligence or other fault of Developer's employees, agents, representatives, subcontractors, suppliers, or anyone else for whose acts Developer is liable under applicable law. Developer is not required to provide indemnification under this Section to the extent such liability, claim, or demand arises through the negligence or other fault of Owner, its officers, employees, or agents.

As used in this Section, the term “fault” includes, but is not limited to, an intentional or willful wrongful act, or a breach of the Agreement.

ii. This indemnity provision is to be interpreted to require Developer indemnify and hold Town harmless only to the extent and for an amount represented by the degree or percentage of negligence or other fault attributable to Developer, or Developer’s employees, agents, representatives, subcontractors, suppliers, or others for whose acts Developer is liable under applicable law.

iii. To the extent indemnification is required under this Section, Developer shall reimburse Town for all costs and expenses of litigation incurred by Developer related to the matter for which indemnification is required, including, but not limited to, court costs, expert witness fees, and reasonable attorney’s fees.

iv. The extent of Developer’s obligation to indemnify and hold Town harmless under this Section shall be determined only after Developer’s liability or fault has been determined by adjudication, alternative dispute resolution (if permitted by the Agreement), or is otherwise resolved by mutual agreement between Developer and Town.

v. This indemnity provision applies only with respect to claims brought or asserted against Town by third parties, and not to claims only between Developer and Town.

vi. Town’s officers, employees, and insurers are third party beneficiaries of this Section in accordance with its terms. However, any amendment, modification, or termination executed by Town and Developer is binding upon Town’s officers, employees, and insurers.

vii. To the fullest extent permitted by law, Town shall indemnify and hold Developer, its members and managers harmless from and against all liability, damages, including legal fees and costs, claims and demands brought or asserted against Developer by a third party related to or in any way caused by Town’s breach of this Agreement, including without limitation, arising from any act or failure to act as listed in Paragraph 26(c).

viii. All indemnity obligations required by the Agreement shall survive the completion or termination of the Agreement, and shall be fully enforceable thereafter, subject to any applicable statute of limitation.

b. Integration. This Agreement constitutes the entire agreement between the Parties, superseding all prior oral or written communications.

c. Governmental Immunity. The Town and its officers, elected officials, attorneys and employees, are relying on, and do not waive or intend to waive by any provision of this Agreement, the monetary limitations or any other rights, immunities, and protections provided by the Colorado Governmental Immunity Act, C.R.S. § 24-10-101, *et seq.*, as amended, or otherwise available to the Town and its officers, elected officials, attorneys or employees.

d. Governing Law and Venue. This Agreement shall be governed by and construed in accordance with the laws of the State of Colorado, and venue for any legal action arising out of this Agreement shall be in Summit County, Colorado.

e. No Third Party Beneficiaries. No third party is intended to or shall be a beneficiary of this Agreement, nor shall any third party have any rights to enforce this Agreement in any respect.

f. No Joint Venture or Partnership. No form of joint venture or partnership exists between the Parties, and nothing contained in this Agreement shall be construed as making the Parties joint venturers or partners.

g. Severability. If any provision of this Agreement is determined to be void by a court of competent jurisdiction, such determination shall not affect any other provision hereof, and all of the other provisions shall remain in full force and effect.

h. Notice. Any notice under this Agreement shall be in writing, and shall be deemed sufficient when directly presented or sent pre-paid, first class United States Mail to the Party at the address set forth on the first page of this Agreement.

i. Modification. This Agreement may only be modified upon written agreement of the Parties.

j. Assignment. Neither this Agreement nor any of the rights or obligations of the Parties shall be assigned by either Party without the written consent of the other.

k. Resolution Of Disputes.

i. The Parties will attempt in good faith to resolve any dispute arising out of or relating to this Agreement promptly by negotiations between persons who have authority to settle the controversy ("Executives"). Either Party may give the other Party written notice of any dispute not resolved in the normal course of business. Within five (5) days after receipt of said notice, Executives of the Parties to the dispute will meet at a mutually acceptable time and place, and thereafter as often as they reasonably deem necessary, to exchange relevant information and to attempt to resolve the dispute. If the matter has not been resolved within ten (10) days of the notice of dispute, or if the Parties fail to meet within five (5) days, either Party may initiate mediation of the controversy as provided below.

ii. If the dispute has not been resolved by negotiation as provided above, the Parties will endeavor to settle the dispute by mediation with a neutral third Party. If the Parties encounter difficulty in agreeing on a neutral third Party, they may each appoint a neutral third Party, such third Parties to appoint a neutral third Party to mediate. Each Party will pay their own attorneys' fees incurred in connection with negotiation and mediation.

- iii. Any dispute arising out of or relating to this Agreement, or the breach, termination, or validity of this Agreement, which has not been resolved by the methods set forth above within thirty (30) days of the initiation of mediation, may be finally resolved by appropriate judicial action commenced in a court of competent jurisdiction. The Parties agree to venue in the courts of Summit County, Colorado with respect to any dispute arising out of or relating to this Agreement. both parties waive the right to a jury trial with respect to any dispute arising out of or relating to this agreement.
- iv. This Agreement is to be interpreted in all respects in accordance with the laws of the State of Colorado, without regard to principles of conflicts of laws that might require this Agreement to be governed by the laws of any state other than the State of Colorado.

l. Annual Appropriation. Consistent with Article X, § 20 of the Colorado Constitution, any financial obligation of the Town not performed during the current fiscal year is subject to annual appropriation, shall extend only to monies currently appropriated, and shall not constitute a mandatory charge, requirement, debt or liability beyond the current fiscal year.

m. Recording. This Agreement or a notice of memorandum of agreement may be recorded with the Clerk and Recorder for Summit County, Colorado and shall run with the land at the mutual consent of the Parties, which shall not be unreasonably withheld.

n. Authority to Execute Documents. Upon approval of the Ordinance authorizing the Town's participation in this Agreement, the Town Manager shall be authorized to execute any document reasonably required by or related to this Agreement and the Project, including the authorization of and subordination of Encumbrances as set forth Section 16 above.

o. Retained Authority. Nothing contained in this Agreement shall constitute or be interpreted as a repeal of existing codes or ordinances or as a waiver or abrogation of the Town's legislative, governmental, or police powers to promote and protect the health, safety, and general welfare of the Town or its inhabitants; nor shall this Agreement prohibit the enactment by the Town of any fee that is of uniform or general application.

p. Parties to the Agreement. There are two developer parties to this agreement; for the avoidance of doubt, Infrastructure Developer is a responsible party and liable only to the extent of those obligations specifically identified as belonging to Infrastructure Developer. All other obligations and required performance under this Agreement, whether specifically identified as such or not, belong to Developer and Developer is responsible and liable for them. In the event of any conflict between this Agreement and the GMP Agreement, the terms of the GMP Agreement shall prevail.

q. Force Majeure. No party shall be liable for any failure or delay in the performance of its obligations under this Agreement if such performance or delay is due to causes beyond its reasonable control, including but not limited to acts of God, war,







**EXHIBIT A**  
**LEGAL DESCRIPTION**

**Runway Neighborhood**

Tract A Fraction Subdivision  
according to the plat recorded December 17, 2021 under reception number 1278464 in  
Summit County Colorado

AND

Tract C, Block 11 Subdivision  
according to the plat recorded August 3, 2005 under reception number 797050 in  
Summit County Colorado

**EXHIBIT B**  
**Schedule**

Summer 2025 – Phase One ground break for civil

August 2025 - Phase 1 Infrastructure Ground breaking

September 2025 – Vertical Construction Pricing check-in with Town Council

January 2026 – Phase 1 Final Vertical Pricing review and approval with Town Council

June 2026 – Phase 1 Vertical Construction start

September 2026 – Phase 2 Infrastructure review and approval (?) from Town Council

April 2027 – Phase 2 Infrastructure start (if approved by town council)

May 2027 – Phase 1 Vertical Construction first closings

May 2028 – Phase 2 Vertical Construction start

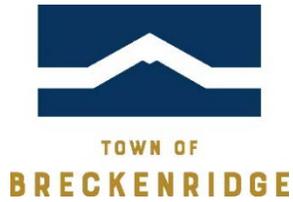
June 2029 – Phase 2 Vertical Construction first closing

March 2030 – Phase 1 Vertical Construction complete

December 2031 – Phase 2 Vertical Construction complete

***Primary Town Expenditures will be 2025-2030***

*\*This schedule is subject to change by market conditions and other weather conditions. TBD by Developer and Council Authorizations*



# Memo

To: Town Council  
From: Dave Byrd, Director of Finance  
Date: June 3, 2025 (for June 10, 2025)  
Subject: American Tower Lease Renewal Agreement (First Reading)

---

**Town Council Goals** (Check all that apply)

- |                                     |                                       |                          |                                     |
|-------------------------------------|---------------------------------------|--------------------------|-------------------------------------|
| <input type="checkbox"/>            | More Boots & Bikes, Less Cars         | <input type="checkbox"/> | Leading Environmental Stewardship   |
| <input type="checkbox"/>            | Deliver a Balanced Year-Round Economy | <input type="checkbox"/> | Hometown Feel & Authentic Character |
| <input checked="" type="checkbox"/> | Organizational Need                   |                          |                                     |

**Summary**

American Tower Corporation currently leases Suite 160 at the Breckenridge Professional Building located at 130 Ski Hill Road, Breckenridge CO 80424. American Tower has been a tenant in the Professional Building since September 2016. The tenant is requesting two automatic four-year extensions of their current lease, which will extend the lease term to January 31, 2035.

**Background**

Town Ordinance 3 Series 2020 requires Town Council approval for any lease beyond three years at the Breckenridge Professional Building. The two four-year extensions require approval from the Town Council.

**Public outreach/engagement**

Outside of the work session review on June 10<sup>th</sup>, there will be an ordinance to be voted on during the regular meeting on both June 10<sup>th</sup> and June 24<sup>th</sup>, 2025.

**Financial Implications**

There is no impact on the current budget for this lease amendment. The two four-year renewals will provide secure rental income for future years. The attached lease amendment provides the monthly rental income by year.

**Equity Lens**

As a company, American Tower has a strong commitment to Diversity, Equity, and Inclusion (DEI). They are recognized as a Best Employer for Diversity by [Forbes](#) and actively pursue DEI initiatives, including supporting DEI-focused initiatives within their industry through their CEO Council, [according to LinkedIn](#) and [Nareit](#). They emphasize creating an inclusive workplace free from discrimination and valuing diverse perspectives. This lease assures American Tower of eight more years of a lease in the Breckenridge Professional Building.

**Staff Recommendation**

Staff recommends approval of the 3<sup>rd</sup> amendment of the lease.

**Mission:** The Town of Breckenridge protects, maintains, and enhances our sense of community, historical heritage, and alpine environment. We provide leadership and encourage community involvement.

1 COUNCIL BILL NO. \_\_

2  
3 Series 2025

4  
5 **AN ORDINANCE APPROVING AN AMENDMENT TO A LEASE OF THE**  
6 **BRECKENRIDGE PROFESSIONAL BUILDING**  
7

8 WHEREAS, the Town owns the real property commonly known as the Breckenridge  
9 Professional Building (“Professional Building”) located at 130 Ski Hill Road, Breckenridge,  
10 Colorado;

11 WHEREAS, when the Town purchased the Professional Building, it became a successor  
12 in interest to certain leases for spaces within the building, including a lease with ATC Outdoor  
13 DAS, LLC (“ATC”) dated August 12, 2016; and

14 WHEREAS, ATC and the Town have amended the original lease several times, with  
15 lease amendments dated September 20, 2016 and February 19, 2021 (with the original lease,  
16 collectively the “Lease”); and

17 WHEREAS, the Town desires to approve a third amendment to the Lease with ATC that  
18 will effectively extend the term of the Lease through January 31, 2035 inclusive of two (2)  
19 automatic renewal terms of four (4) years each; and

20 WHEREAS, Section 1-11-4 of the Breckenridge Town Code requires that leases of Town  
21 real property longer than one year must be approved and authorized by ordinance.

22 NOW, THEREFORE, BE IT ORDAINED BY THE TOWN COUNCIL OF THE TOWN OF  
23 BRECKENRIDGE, COLORADO:

24 Section 1. Town Council hereby approves the Third Amendment to the lease  
25 between the Town of Breckenridge and ATC, a copy of which is attached hereto as **Exhibit A**.

26 Section 2. This ordinance shall be published and become effective as provided by  
27 Section 5.9 of the Breckenridge Town Charter.

28 INTRODUCED, READ ON FIRST READING, APPROVED AND ORDERED  
29 PUBLISHED IN FULL this 10th day of June, 2025. A Public Hearing shall be held at the regular  
30 meeting of the Town Council of the Town of Breckenridge, Colorado on the \_\_\_ day of  
31 \_\_\_\_\_, 2024, at 7:00 P.M., or as soon thereafter as possible in the Municipal Building  
32 of the Town.

33  
34 TOWN OF BRECKENRIDGE, a Colorado  
35 municipal corporation

1  
2  
3  
4  
5  
6  
7  
8  
9  
10  
11  
12  
13  
14  
15  
16  
17  
18

By: \_\_\_\_\_  
Kelly Owens, Mayor

ATTEST:

\_\_\_\_\_  
Mae Watson, Town Clerk

### THIRD AMENDMENT TO LEASE AGREEMENT

THIS THIRD AMENDMENT TO LEASE AGREEMENT (“*Third Amendment*”) is entered into as of the last of the signature dates below (“*Effective Date*”) between Town of Breckenridge, a Colorado municipality, successor in interest to Eduardo Felix Bello and Pamela McPherson Bello, with a mailing address of 150 Ski Hill Road, PO Box 168, Breckenridge, CO 80424 (“*Landlord*”) and ATC Outdoor DAS, LLC, a Delaware limited liability company, with a mailing address of 10 Presidential Way, Woburn, Massachusetts 01801 (“*Tenant*”). Landlord and Tenant are sometimes hereinafter collectively referred to as the “*Parties*”.

### BACKGROUND

A. Landlord and Tenant, or their successors in interest, are parties to that certain Lease Agreement dated August 12, 2016 (“*Original Lease*”), as amended by that certain First Amendment to Lease Agreement dated September 20, 2016 (“*First Amendment*”), as further amended by that Second Amendment to Lease Agreement dated February 19, 2021 (“*Second Amendment*”), for certain premises located within the building commonly known as Sawmill Station Square Commercial Building No. 1 located at 130 Ski Hill Road, Breckenridge, CO 80424 (collectively, “*Lease*”).

B. The Parties desire to amend the Lease on the terms and conditions set forth in this Third Amendment.

C. Any capitalized terms used, but not defined, in this Third Amendment shall have the meanings assigned to them in the Lease.

NOW THEREFORE, in consideration of the foregoing premises and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Parties hereto agree as follows:

1. Term. Paragraph 3 of Lease, as amended in paragraph 4 of the Second Amendment, is hereby deleted in its entirety and replaced with the following:

“The initial term of this Lease will be ten (10) years and two months (“*Initial Term*”), commencing on December 1, 2016 (“*Commencement Date*”). This Lease will be automatically renewed for two (2) terms of four (4) years unless: (i) a Tenant Event of Default (as defined in Section 16(a)) exists or (ii) Tenant gives written notice to Landlord at least sixty (60) days prior to the expiration of the then current term of Tenant’s intention

not to renew the Lease (each a “**Renewal Term**”). The Initial Term and Renewal Term(s) are collectively referred to as “**Term.**”

2. Change to Lease Area. The definition of Lease Area set forth in the Lease, and as amended in paragraph 1 of the First Amendment, is revised to refer to "Suite #160, consisting of approximately 1,125 rentable square feet." All references in the Lease to “1,143 rentable square feet” shall be deleted and replaced with “1,125 rentable square feet”.

3. Change to Paragraph 4; RENT AND FEES. Paragraph 4(a) of the Lease is deleted in its entirety and replaced with the following language:

“4(a) Monthly Rent. The Parties agree that, starting from the Effective Date of this Third Amendment, Tenant shall pay “Monthly Rent” pursuant to the table below. “Monthly Rent” includes the “Outdoor Space Fee” and Common Area Maintenance fees (“CAM”) (as was previously defined in Paragraph 4(c) of the Original Lease as “Additional Rent.”) CAM is included in Monthly Rent on a pre-determined basis without the need for an annual true-up.”

	Monthly Amount		
2/1/2025	1/31/2026	\$3,662.13	Out of this amount, \$2,586.91 is rent and \$1,075.22 is CAM
2/1/2026	1/31/2027	\$3,772.00	Out of this amount, \$2,664.52 is rent and \$1,107.48 is CAM
2/1/2027	1/31/2028	\$3,885.16	Out of this amount, \$2,744.46 is rent and \$1,140.70 is CAM
2/1/2028	1/31/2029	\$4,001.71	Out of this amount, \$2,826.79 is rent and \$1,174.92 is CAM
2/1/2029	1/31/2030	\$4,121.76	Out of this amount, \$2,911.59 is rent and \$1,210.17 is CAM
2/1/2030	1/31/2031	\$4,245.41	Out of this amount, \$2,998.94 is rent and \$1,246.47 is CAM
2/1/2031	1/31/2032	\$4,372.77	Out of this amount, \$3,088.91 is rent and \$1,283.86 is CAM
2/1/2032	1/31/2033	\$4,503.95	Out of this amount, \$3,181.58 is rent and \$1,322.37 is CAM
2/1/2033	1/31/2034	\$4,639.07	Out of this amount, \$3,277.03 is rent and \$1,362.04 is CAM
2/1/2034	1/31/2035	\$4,778.24	Out of this amount, \$3,375.34 is rent and \$1,402.90 is CAM

Paragraphs 4(b) and 4(c) of the Original Lease and Paragraph 2 of the Second Amendment are deleted in their entirety. Paragraphs 4(d) and (e) of the Original Lease shall remain unchanged except they shall be renumbered as Paragraphs 4(b) and (c). Any reference to “Minimum Rent” or “Additional Rent” shall be read to mean “Monthly Rent.”

4. Surrender. Paragraph 17(a) of the Lease is hereby deleted in its entirety and replaced with the following:

“(a) Tenant's Surrender of the Lease Premises: Following any termination or expiration of the Lease, Tenant shall remove all its personal property from the Lease Premises. In performing such removal, Tenant shall restore the Lease Premises and any personal property and fixtures thereon to the same condition as existed on the Commencement Date, reasonable wear and tear excepted, except as set forth below. In the event Tenant fails to surrender the Lease Premises in the condition as required hereunder, in its sole discretion, Landlord may repair, replace, repaint and clean the Lease Premises as needed and deduct the cost thereof from the Security Deposit and charge Tenant for any additional costs not covered thereby. The cost of such removal shall be borne by Tenant and Tenant shall repair all injury and damage caused by or in connection with the removal of such property. Tenant shall remove its fiber optic or other cable, wiring, sleeving, or conduit installed by Tenant and restore or fill in any core drillings that Tenant created in the Building prior to the termination or expiration of this Lease. All items not removed or repaired by the termination or expiration of the Lease shall be at Landlord's election deemed abandoned and may be removed or repaired by Landlord at Tenant's expense.”

5. Parking. Paragraph 19(p) of the Lease is hereby deleted and replaced with the following:

“(p) Parking: Notwithstanding anything contained in the Lease to the contrary, Landlord has no obligation to provide to Tenant parking spaces, exclusive or non-exclusive, in parking lots attached or adjacent to the Lease Premises. Tenant shall be allowed to purchase Town of Breckenridge employee parking passes from the Town of Breckenridge's Parking District, at Tenant's sole cost, for Tenant's use.”

6. Incorporation of Recitals. The information contained in the “Background” section above is hereby incorporated by reference in this Third Amendment.

7. No Other Revisions; Entire Agreement. Except as expressly modified by the terms of this Third Amendment, the Original Lease, the First Amendment, and the Second Amendment shall remain unchanged and in full force and effect. In the event of any conflict between the terms of this Third Amendment and the Original Lease, the First Amendment, and the Second Amendment, the terms of this Third Amendment shall control. The Lease, as modified by the First Amendment, Second Amendment, and this Third Amendment, embodies the entire agreement between the parties with respect to the matters hereof, and may not be amended, modified, or terminated except by a writing duly signed by the party to be charged. There are no representations or understandings existing prior to the date hereof between the parties which are not stated in the Third Amendment.

8. Electronically Reproduced Counterparts. This Third Amendment may be executed in several counterparts and all so executed will constitute one agreement, binding on all the Parties even though all the Parties are not signatories to the original or the same counterpart. The Parties agree that (i) a digital or electronic signature on this Third Amendment and/or (ii) a fully executed scanned or electronically reproduced copy or image of this Third Amendment shall be deemed an original and may be introduced or submitted in any action or proceeding as competent evidence of the execution, terms and existence hereof notwithstanding the failure or inability to produce or tender an original, manually executed counterpart of this Third Amendment and without the requirement that the unavailability of such original, manually executed counterpart of this Third Amendment first be proven.

9. Titles and Captions. All article, section and paragraph titles or captions contained in this Third Amendment are for convenience only and will not be deemed part of the context nor affect the interpretation of this Third Amendment.

10. Agreement Binding. This Third Amendment will be binding upon the heirs, executors, administrators, successors and assigns of the Parties.

11. Savings Clause. If any provision of this Third Amendment, or the application of such provision to any person or circumstance, will be held invalid, the remainder of this Third Amendment, or the application of such provision to persons or circumstances other than those as to which it is held invalid, will not be affected thereby.

12. Authority. Each party hereto represents and warrants to the other that all necessary authorizations required for the execution and performance of this Third Amendment have been given and that the undersigned officer of a party is duly authorized to execute this Third Amendment and bind the party for which it signs.

IN WITNESS WHEREOF, the Parties have executed this Third Amendment as of the latter date of signature set forth below.

[signatures on following page]

**LANDLORD:**  
**Town of Breckenridge**

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

Name:

Title:

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

**TENANT:**

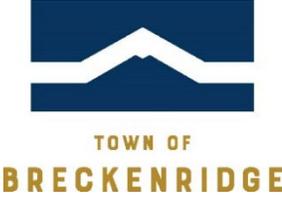
**ATC Outdoor DAS, LLC**  
a Delaware limited liability company

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

Name:

Title:

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



# Memo

**To:** Town Council  
**From:** Scott Reid, Deputy Town Manager  
**Date:** 6/4/2025 (for 6/10/2025 meeting)  
**Subject:** Revised Nicotine Intergovernmental Agreement (Resolution)

---

**Town Council Goals** (Check all that apply)

- More Boots & Bikes, Less Cars
- Deliver a Balanced Year-Round Economy
- Organizational Need
- Leading Environmental Stewardship
- Hometown Feel & Authentic Character

**Summary**

Staff is presenting a resolution for Council’s review and approval to amend the current countywide Nicotine Intergovernmental Agreement (IGA). The proposed amendment would add the recently incorporated Town of Keystone to the existing nicotine IGA. As a party to the initial IGA, the Town of Breckenridge must approve the IGA amendment to authorize the Town of Keystone’s role within the agreement.

**Background**

The Nicotine Intergovernmental Agreement was originally approved in 2019. With the recent incorporation of the Town of Keystone, all members of the existing IGA need to approve an amendment to that original agreement so that the Town of Keystone can be party to the agreement and collect the related tax for their jurisdiction. The effective date of the amendment was left blank until all other jurisdictions also approve the amendment, at which time the date will be added.

**Public outreach/engagement**

This proposed resolution and IGA amendment are considered a housekeeping item for which public outreach will consist of the standard public noticing requirements as required by Town code.

**Financial Implications**

There are no financial implications of this proposed amendment for the Town of Breckenridge.

**Equity Lens**

Nicotine use has been shown to disproportionately affect underrepresented and marginalized groups. The goals of the original 2019 Nicotine Intergovernmental Agreement were to reduce nicotine consumption, lessen long term community impacts of nicotine use, and promote nicotine cessation education efforts. These goals remain consistent, and the proposed amendment will simply include the Town of Keystone in this community-wide effort and IGA.

**Staff Recommendation**

Staff recommends that Town Council review and approve the proposed resolution approving the Town of Keystone’s inclusion in the countywide Nicotine Intergovernmental Agreement. Staff will be available Tuesday to answer any questions.

**Mission:** The Town of Breckenridge protects, maintains, and enhances our sense of community, historical heritage, and alpine environment. We provide leadership and encourage community involvement.

1  
2 RESOLUTION NO. \_\_\_\_  
3

4 Series 2025  
5

6 A RESOLUTION APPROVING AN AMENDMENT TO THE NICOTINE  
7 INTERGOVERNMENTAL AGREEMENT WITH SUMMIT COUNTY, COLORADO AND  
8 THE TOWNS OF BLUE RIVER, DILLON, FRISCO, MONTEZUMA, AND  
9 SILVERTHORNE TO ADD THE TOWN OF KEYSTONE  
10

11 WHEREAS, pursuant to title 29, article 1, part 2, Colorado Revised Statutes, as amended  
12 (the “**Intergovernmental Relations Statute**”), and Article XIV, Section 18 of the State  
13 Constitution, governments may contract with one another to provide any function, service or  
14 facility lawfully authorized to each of the contracting units and any such contract may provide  
15 for the joint exercise of the function, service or facility; and  
16

17 WHEREAS, House Bill No. 19-1033 (the “**Act**”), authorizes a county to levy, collect,  
18 enforce and administer a county-wide special sales tax upon all sales of cigarettes, tobacco  
19 products, or nicotine products within the unincorporated and incorporated areas of the county  
20 and further authorizes a county and the home rule or statutory towns within such county to  
21 contract and collaborate with each other in levying, collecting, enforcing and administering the  
22 special sales tax within the corporate limits of the contracting municipalities as provided in the  
23 Act; and  
24

25 WHEREAS, tobacco and nicotine use is the leading cause of preventable death in  
26 Colorado and in the United States generally; and  
27

28 WHEREAS, the Town of Breckenridge (“Town”), Summit County government, and the  
29 towns of Blue River, Dillon, Frisco, Montezuma, and Silverthorne previously entered into an  
30 IGA to collaborate on the imposition of a special County-wide sales tax on cigarettes, nicotine  
31 products and tobacco products and utilize the revenues from the special sales tax to promote the  
32 public health and welfare; and  
33

34 WHEREAS, the newly incorporated Town of Keystone desires to also collaborate and  
35 take part in the imposition of the County-wide sales tax on cigarettes, nicotine products and  
36 tobacco products as well as utilize the revenues from the special sales tax to promote the public  
37 health and welfare; and  
38

39 WHEREAS, a proposed Amendment to the Intergovernmental Agreement between the  
40 Town, Summit County government, and the towns of Blue River, Dillon, Frisco, Montezuma,  
41 and Silverthorne to add the Town of Silverthorne has been prepared, a copy of which is marked  
42 **Exhibit “A”**, attached hereto and incorporated herein by reference; and  
43

44 WHEREAS, the Town Council has reviewed the proposed Amendment, and finds and  
45 determines that it would be in the best interest of the Town to enter into such agreement.



**AMENDMENT TO  
NICOTINE TAX INTERGOVERNMENTAL AGREEMENT**

**THIS AMENDMENT TO NICOTINE TAX INTERGOVERNMENTAL AGREEMENT (“Amendment”)** amends the Intergovernmental Agreement dated April 2019, related to Nicotine tax, and entered into by the **SUMMIT COUNTY, COLORADO** (the “County”), a body corporate and politic and political subdivision of the State of Colorado, and **THE TOWNS OF BLUE RIVER, BRECKENRIDGE, DILLON, FRISCO, MONTEZUMA AND SILVERTHORNE, COLORADO** (the “Towns” or individually as a “Town”), home rule or statutory municipalities and political subdivisions of the State (“Nicotine Tax IGA”). The purpose of this Amendment is to add the **TOWN OF KEYSTONE, COLORADO**, a home rule municipality, as a Party to the Nicotine Tax IGA. The effective date of this Amendment shall be \_\_\_\_\_.

WHEREAS, the Town of Keystone incorporated as a home rule municipality on February 8, 2024; and

WHEREAS, Section 10 of the Nicotine Tax IGA contemplates and authorizes adding one or more additional incorporated municipalities as parties; and

WHEREAS, the Keystone Town Council finds that it is in the best interest of the Town to request to be added as a party to the Nicotine Tax IGA with Summit County; and

WHEREAS, the Parties to the Nicotine Tax IGA desire to amend the Nicotine Tax IGA to add the Town of Keystone as a party.

The County, the Towns and the Town of Keystone agree as follows:

1. **Addition of Town of Keystone as a Party.** The County, the Towns, and the Town of Keystone agree that the Town of Keystone is added as a Party to the Nicotine Tax IGA. The Town of Keystone hereby agrees to be bound by all terms, conditions, covenants, obligations, and responsibilities of the Nicotine Tax IGA.

The Town of Keystone shall have all the rights, benefits, and obligations as provided under the Nicotine Tax IGA, and shall perform all duties as specified herein. All references to “Parties” in this Agreement shall hereafter include the Town of Keystone.

2. **Remainder of Nicotine Tax IGA Is Unchanged.** All other provisions of the Nicotine Tax IGA remain unchanged and in full force and effect.

**IN WITNESS WHEREOF**, this Agreement is executed by the Parties.

[Remainder of Page Left Intentionally Blank; Signature Page to Follow]

SUMMIT COUNTY, COLORADO

\_\_\_\_\_  
Chair, Eric Mamula

Attest:

\_\_\_\_\_  
Taryn Powers, County Clerk & Recorder

TOWN OF BLUE RIVER

\_\_\_\_\_  
Nicholas Decicco, Mayor

Attest:

\_\_\_\_\_  
Town Clerk

TOWN OF BRECKENRIDGE

\_\_\_\_\_  
Kelly Owens, Mayor

Attest:

\_\_\_\_\_  
Town Clerk

TOWN OF DILLON

\_\_\_\_\_  
Carolyn Skowyra, Mayor

Attest:

\_\_\_\_\_  
Town Clerk

TOWN OF FRISCO

\_\_\_\_\_  
Rick Ihnken, Mayor

Attest:

\_\_\_\_\_  
Town Clerk

TOWN OF KEYSTONE

\_\_\_\_\_  
Kenneth D. Riley, Mayor

Attest:

\_\_\_\_\_  
Town Clerk

TOWN OF MONTEZUMA

\_\_\_\_\_  
Lesley Davis, Mayor

Attest:

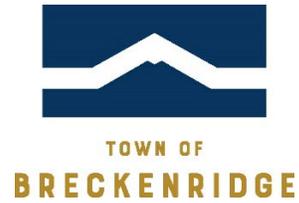
\_\_\_\_\_  
Town Clerk

TOWN OF SILVERTHORNE

\_\_\_\_\_  
Ann-Marie Sandquist, Mayor

Attest:

\_\_\_\_\_  
Town Clerk



# Memo

**To:** Town Council  
**From:** Town Staff  
**Date:** 6/4/2025 (for 6/10/2025 work session)  
**Subject:** Public Projects Construction Updates

## **Broken Lance Culvert Bridge and Drainage Project**

This large infrastructure project in the Warrior’s Mark neighborhood includes replacing aging culverts that pass the Blue River under Broken Lance Drive with a single-span concrete culvert bridge, replacing water mains, constructing a seepage diversion trench to divert groundwater from the road subgrade, storm sewer installation, bus stop improvements, and reconstruction of the roadway.

Schedule: Construction by Schofield Excavation is ongoing and includes waterline replacement, storm sewer, and groundwater diversion trench installation. Xcel Energy has been onsite performing relocation work along the project corridor. Traffic control plans and detours will be updated frequently as work progresses.

Staff has developed online resources for residents and performed robust public outreach on the project. Staff will be hosting two additional public meetings at the Breckenridge Recreation Center on Monday, June 16, 2025 from 5:30pm to 6:30pm and Wednesday, June 18, 2025 from noon to 1:00pm. The Town’s Communications team is assisting Engineering staff with additional marketing of events and updates for the construction. Staff has created a weekly construction update email that will be sent to residents who have provided their emails to the database. Please visit [www.townofbreckenridge.com/brokenlance](http://www.townofbreckenridge.com/brokenlance) for construction updates on the project (link also available on [www.BreckRoads.com](http://www.BreckRoads.com) ).

Budget: The project includes funding from the Capital Fund and Water Utility Fund.

Project Funding	
Prior Years Budget Rollover	\$850,000
2025 CIP	\$6,650,000
2025 Water Fund CIP	\$3,916,000
<b>TOTAL Funding</b>	<b>\$11,416,000</b>

## **Asphalt and Concrete Repair Project**

The asphalt and concrete repair project is an annual project that funds large roadway repairs, generally using a 2" mill and asphalt overlay or full-depth reconstruction when required, and concrete replacement including curb, gutter, sidewalks, and curb ramps. Proposed repair locations for the 2025 project include N. French Street between Park Avenue and Main Street, S. French Street between Washington Avenue and Jefferson Avenue, Washington Avenue, the Main Street/Park Avenue roundabout, Highwood Circle, Settlers Drive, Willow Lane, Red Feather Road, and Tomahawk Lane. Concrete work will include damaged concrete adjacent to the asphalt repairs including upgrades to curb ramps to meet ADA standards, the sidewalk in from of La Cima Mall, and other locations as budget allows.

**Schedule:** The repaving of the N. Park Avenue roundabout was completed on Friday, May 23. Paving of Washington Ave and French Street between Lincoln and Jefferson is scheduled to be completed by the week ending June 6<sup>th</sup> followed by the repaving of N. French Street between Main Street and Park Avenue. La Cima Mall concrete replacement has also been recently completed. Additional concrete repair along S. French Street (south of Jefferson Avenue) is ongoing. Please visit [www.BreckRoads.com](http://www.BreckRoads.com) for schedule updates as they become available.



Drone image of the completed paving and concrete repair and replacement of the N. Park Ave. Roundabout.



Washington Ave. and Ridge St, intersection paving and ADA curb ramp replacement.

**Budget:** The project includes funding from the Capital Fund for the asphalt and concrete repairs, as well as funding reserved for upgrades to ROW infrastructure for ADA compliance.

Project Funding	
2025 CIP- Asphalt & Concrete	\$3,000,000
2025 CIP- ADA Compliance	\$300,000
<b>TOTAL Funding</b>	<b>\$3,300,000</b>

**Fiber 9600**

In 2024, we continued to build upon the Town’s fiber network to ensure for the community’s future communication needs. We were able to bring fiber infrastructure from downtown, across Park Avenue, to the Village at Breckenridge. We connected the line from Ski Hill Road to Four O’clock Road on Grandview Avenue and filled in residential areas along Windwood Circle and Corkscrew Drive. We brought fiber to workforce housing at Stables Village and Vista Verde II. We connected fiber to Town-owned cameras in front of and behind La Cima Mall, in coordination with other Town Departments. We also wired the following multi-dwelling units (MDU’s) in 2024: Claimjumper, Blazing Saddles, Vista Verde II, and Colorado Mountain College. At the end of September 2024, Allo reported having 1,120 Breckenridge customers, compared to 677 at the end of 2023. This link will show a map of where we have installed fiber in town: [ALLO Availability](#)

Looking forward to 2025 construction, Peak Construction was selected as the Town’s contractor after a competitive RFP process. Peak has mobilized and is beginning construction on Four O’clock Road. We plan to install fiber along Four O’clock Road to Primrose Path, King’s Crown, and Village Road. This year, we hope to connect many of the high-density buildings in this area, including Beaver Run and Grand Timber Lodge. The Allo sales team is in contact with these building managers and they are putting together service contracts.

We plan to wire the following MDU’s in 2025 and expect to add more: Village at Breckenridge, Hermit Placer, Victorian Gables, Sawmill Creek, Bluesky, and Wedgewood.

Residents and businesses can learn more and sign up for service by navigating to:  
<https://www.allocommunications.com/locations/breckenridge/>

Budget:

Project Funding	
2024 Prior Spending Authority	\$25,000
2025 CIP	\$2,000,000
<b>TOTAL Funding</b>	<b>\$2,025,000</b>

**Blue River Pathways Projects**

The Blue River Pathways project seeks to revitalize the Blue River corridor and downtown alleys between N. French Street and S. Park Avenue by improving safety, bicycle and pedestrian connectivity, placemaking and river health alongside providing strong community engagement on the project. This project is a complex multi-year planning project that will be followed by various phases of CIP construction projects. The draft master plan approved by the Council in 2024 will be finalized and adopted once structure selection is completed for the pedestrian underpasses and bridges. Current CIP projects underway include the Living Lab Bike Plaza, Recreation Path signage enhancements, Sawmill Lot Pedestrian Connection design, and the Corridor Structure Design project.

Budget:

2025 CIP Project Funding	
Master Plan- Final Draft	\$35,000
Sawmill Pedestrian Connection (Design)	\$15,000
Rec Path Signage	\$150,000
Living Lab Bike Plaza (Schoonover Site)	\$100,000
<b>TOTAL Funding</b>	<b>\$300,000</b>

***Living Lab Bike Plaza***

The Living Lab Bike Plaza pilot at the Schoonover site is taking shape with grading and placement of the recycled asphalt and crusher fines. The expanded E-Ride hub was installed on June 3<sup>rd</sup> and flower boxes, native seeding, picnic tables, and benches will follow. This low-cost pilot project will allow for the study of the circulation and use of this valuable land parcel in downtown.



The expanded Breck E-Ride station at the former Schoonover site at the corner of Ski Hill Road and the Gold Pan Alley.

**Recreation Path Signage**

Staff and the design team are working on establishing recommended locations, messaging, and graphics for low-cost signage along the Recreation Path in the downtown corridor to facilitate wayfinding to key destinations. We recently met with BTO to gather feedback and coordinate the sign plan with the BTO’s current efforts to update the map inserts throughout Town. Staff will present the proposed signage concepts to the Council for feedback at an upcoming work session.

**Sawmill Pedestrian Connection**

The 2025 CIP includes funding for the design of the east/west pedestrian connection from the existing pedestrian bridge near the S. Gondola Parking Garage to Main Street. Staff is currently reviewing the preliminary design plans and will present the design to the Council for feedback at an upcoming work session.



**Corridor Structure Design (Pedestrian Bridges & Underpasses)**

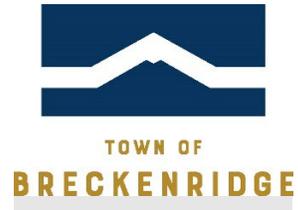
The Riverwalk Corridor Structures Design Project includes a feasibility study and design of underpasses and bridges for key crossings of the recreation path in the downtown corridor. Per the Blue River Pathways Master Plan, the crossings being considered are Watson Avenue and Ski Hill Road, the Ice House bridge replacement, and an additional pedestrian bridge connecting the Gaymon Cabin to the rec path near the North Gondola Lot. Otak, Inc. has been selected as the design consultant and has recently begun that effort.

At the June 24<sup>th</sup> meeting, Norris Design on behalf of the design team, will present an overview of the project progress and updates relative to the Blue River Pathways Masterplan.

Budget:

This project is funded through a 50/50 matching MMOF grant.

Project Funding	
2024 CIP	\$675,000
MMOF CDOT Grant	\$675,000
<b>TOTAL Funding</b>	<b>\$1,350,000</b>



# Memo

**To:** Town Council  
**From:** Mobility Staff  
**Date:** 6/4/2025 (for 6/10/2025 work session)  
**Subject:** Mobility Update

## Mobility

**Breck E-Ride** – Breck E-Ride staff hosted a community outreach tent at the Town Clean Up Day event, answering questions about how the program works, soliciting input on hub locations, and offering free rides for people to try out the e-bikes. There was great engagement, and staff is evaluating several new hub location requests that were suggested from community members at the event. The final planned hub location for this season came online June 2<sup>nd</sup>, after installation of a concrete pad was completed between the new Stables Village and Lincoln Park neighborhoods. YTD ridership is up 3% over last year, despite impacts from unfavorable bike riding weather seen throughout May:

Week	2025 Trips	2024 Trips	% Change	2025 Dates	2024 Dates
<i>Pre-Launch</i>	325	282	15%	5/1 - 5/4*	5/1 - 5/5*
<i>Week 1</i>	428	167	156%	5/5 - 5/11	5/6 - 5/12
<i>Week 2</i>	526	606	-13%	5/12 - 5/18	5/13 - 5/19
<i>Week 3</i>	746	600	24%	5/19 - 5/25	5/20 - 5/26
<i>Week 4</i>	843	1130	-25%	5/26 - 6/1	5/27 - 6/2
<b>YTD Totals:</b>	2868	2785	3%		

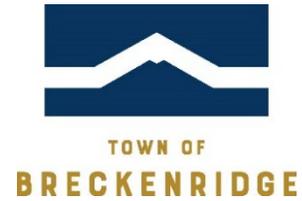
Looking ahead, Breck E-Ride is working with Breck Pride Week organizers to offer promo code *prideride25* for free 30-minute rides for participants to get around town throughout the week of June 9-16.

**Free Ride** - Ridership was down 9%, which was just over 3,000 rides, for the month of May. There have been detours and delays due to construction on the Gray, Green, and Purple Routes. The Green Route has seen strong ridership at the new Vista Verde #2 stop. As summer gets into full swing, the Gold Route was the recipient of grant funding from the Colorado Energy Office's Zero Fare for Clean Air Transit Program. Beginning on June 1 and running through August, the Gold Route is being funded through this program.

Route	May		May		YTD		Year	
	May '25	May '24	+/-	%	2025	2024	+/-	%
Gold	6,974	5,379	1,595	29.7%	30,842	34,812	-3,970	-11.4%
Green	4,289	1,905	2,384	125.1%	40,072	18,386	21,686	117.9%
Brown	0	0	0	0	233,526	233,069	457	0.2%
Trolley	2,303	2,371	-68	-2.9%	40,624	35,554	5,070	14.3%
Purple A	2,191	3,712	-1,521	-41.0%	48,816	52,167	-3,351	-6.4%
Yellow	0	0	0	0	218,271	216,593	1,678	0.8%
Purple B	2,763	3,474	-711	-20.5%	30,361	39,613	-9,252	-23.4%
Gray	14,016	19,036	-5,020	-26.4%	37,407	68,169	-30,762	-45.1%
<b>TOTALS</b>	<b>32,536</b>	<b>35,877</b>	<b>-3,341</b>	<b>-9.3%</b>	<b>679,919</b>	<b>698,363</b>	<b>-18,444</b>	<b>-2.6%</b>

### Parking

A contractor will be sweeping the South Gondola Parking Structure one evening in the coming weeks. The surface lot will remain open, but the structure itself will be closed. We will get proper signage up and communicate broadly once the date is confirmed with the contractor.



# Memo

**To:** Breckenridge Town Council Members  
**From:** Mae Watson, Town Clerk  
**Date:** 6/4/2025  
**Subject:** Committee Reports

The following committee reports have been submitted and included:

- Breckenridge Social Equity Advisory Commission
- Summit Stage Advisory Board & Summit Stage Advisory Board (Combined Meeting)

<b>Committees*</b>	<b>Representative</b>	<b>Report Status</b>
Summit Stage Advisory Board	Matt Hulsey	INCLUDED
Police Advisory Committee	Staff	No Meeting/Report
Recreation Advisory Committee	Molly Boyd	No Meeting/Report
Transit and Parking Advisory Committee	Matt Hulsey	No Meeting/Report
Liquor and Marijuana Licensing Authority	Tara Olson	No Meeting/Report
Breckenridge Social Equity Advisory Commission	Flor Cruz	INCLUDED
Communications	Staff	No Meeting/Report

**\*Note:** Reports provided by the Mayor and Council Members are listed in the Council agenda.



TOWN OF  
**BRECKENRIDGE**

**Breckenridge Social Equity Advisory Commission**

May 21, 2025, 5:30pm

Breckenridge Town Hall  
Council Chambers  
150 Ski Hill Road  
Breckenridge, CO

*Striving for racial and social equity for all by removing barriers and  
facilitating opportunities to thrive*

**I. Call to Order**

Chair Burns called the meeting to order at 5:32pm.

Roll Call

Present: Jordan Burns, Isaura Cirillo, Jotwan Daniels, Carol Saade, Ujala Vatas, June Walters,  
Michelle Mahoney, Abigail Martinez, Tahja Grier

Virtual: None

Absent: None

Discussion/Approval of Agenda

Motion to Approve: Council Member Saade, Seconded: Commissioner Daniels

Discussion/Approval of the Minutes

Motion to Approve Minutes: Commissioner Walters, Seconded: Commissioner Daniels

**II. Staff Summary**

**i. New Town Clerk – Mae Watson**

Flor Cruz introduced Mae Watson, the new Town Clerk.

**ii. Rocky AI Chatbot Update**

Flor Cruz shared that the Town has launched a new virtual assistant named Rocky the Moose to help with inquiries and better navigate Town websites.

**iii. Rec Center Financial Assistance Application Process**

Flor Cruz shared that the Rec Center has recently updated its financial assistance application and process expanding the services the applicant could use it for and allowing greater flexibility in demonstrating financial need.

### **III. Presenters**

#### ***i. Melissa Andrews, BTO - Public Relations Director: Breck Pride Update***

Melissa Andres and Majai Bailey from the Breckenridge Tourism Office provided an update on the Breck Pride event, noting that the event has undergone a name change but remains highly popular among both locals and visitors. The event focuses on education and celebration and is working with Mountain Pride as consultants. This year, efforts are being made to expand outreach across Colorado and ensure the event remains free and family-oriented.

Melissa also shared a summary of the event lineup, which includes numerous collaborations with various community organizations and local businesses. She highlighted that the event aims to represent the full spectrum of the LGBTQIA+ community and will feature a trans influencer as part of the programming.

Commissioner Walters inquired about ways the Commission could be involved. Melissa and Majai encouraged commissioners to sign up as volunteers at [gobreck.com](http://gobreck.com).

Chair Burns commended the Breckenridge Tourism Office (BTO) for applying the Equity Lens Tool and for involving the LGBTQIA+ community directly in the planning and execution of the event. Commissioner Grier also congratulated the BTO team on its progress and inclusive efforts.

Majai noted that social media engagement has significantly increased. Melissa concluded by inviting the Commission to volunteer, attend, and continue spreading the word about the event.

#### ***ii. Laurie Best, Town of Breckenridge - Director of Housing: Runway Project***

Laurie Best introduced herself as the Director of Housing for the Town of Breckenridge, which she has been managing since 2000. Laurie also shared that the Housing Department has been working hard to address the need for affordable housing by creating units with a goal to have 47% of the workforce living in Breckenridge. Laurie also highlighted that the Housing Department works to build neighborhoods where community members could live throughout different stages of their lives therefore requiring different types of housing units.

Laurie highlighted that although a lot has been done, affordable housing is not something that is easily solved because the Town also wants to ensure residents are not overcrowded and are thriving and actively participating in the community. Laurie also stated that the department has been trying to successfully roll out programs that fit the community needs and help people navigate the process.

Laurie spoke about a recent news article that talked about the proposed Runway project which is set to break ground this summer and consists of diverse mixed-income neighborhoods with

potential ADU's. Laurie asked the Commission to weigh in on the concept of ADU's, deed restrictions, and appreciation caps.

Commissioner Vatas shared that there should be a rental cap to ensure affordable rental units and raised concerns about the value of increasing the sale prices and additional costs residents in deed-restricted homes have when increasing size or maintenance upkeep. Chair Burns and Commissioner Vatas recommended giving the buyer the opportunity to choose whether they want to have an ADU.

Commissioner Cirrillo stated that those prices are not affordable because a large majority of the County's workforce in the are not able to pay those rates. She also questioned realistically who are the people that can afford an \$800,000 home as even herself as a Dentist could not afford that price. Commissioner Cirillo asked that the Town really think about who can afford such homes because the people who need housing are teachers, bus drivers, and hospitality workers and are not going to be able to afford such homes.

Commissioner Grier asked about the price ranges and shared that even the lowest price point would not work for her and other members of the community with similar households. She also asked that the Town consider the many different types of residents and families who would like to own a home but are not able to do so due to only having low or only one income.

Chair Burns and Commissioner Grier raised concerns about allowing higher income families to own another market rate home in the county. Commissioner Cirillo shared that as long as the other unit would provide housing for another local family, she had no concern. Commissioner Vatas also shared that she would rather see more second homeowners have their primary residence also be in Summit County to ensure rental income stays in the County and comes back to the community.

Commissioner Martinez stated that this is not an affordable or accessible project for the community. She stated that if the Town wants to create an affordable or attainable housing project, they need to consider taking a second look at the prices and giving the buyer the opportunity to build the ADUs on their own.

Commissioners Daniels raised concerns about ADUs being used solely as rental properties, cautioning that this approach could contribute to the creation of a permanent renter class in Summit County, particularly for the most vulnerable community members. He urged that ADUs be integrated into broader plans that provide pathways for renters to eventually become homeowners, enabling them to build equity and achieve upward mobility. Commissioner Daniels also highlighted the need for wraparound services such as credit-building and financial planning support to help renters strengthen their economic position and prepare for future homeownership.

Commissioner Grier reinforced the need for attainable homeownership for individuals who are in different stages of life and at some point, will need or want to purchase the single-family home but cannot afford it at the given price ranges. She also stated that without it, many will not be able to stay in Summit County and will have leave our community.

Commissioner Mahoney stated that it is not equitable to have the different restrictions, and that people want to buy even if it's not a single-family home. She stated that she would like to see a vast array of housing units and types.

Commissioner Cirillo also stated that the immigrant community in Breckenridge cannot afford Runway homes and along with Commissioner Mahoney emphasized the relativity of the term "affordable". Commissioner Cirillo also highlighted that families have many other living expenses like childcare which makes it very difficult to purchase a home.

Commissioner Walters commended the Town and staff for the great work they have done in addressing many of the challenges faced by our community.

**IV. Immigrant Heritage Month Proclamation**

Council Member Carol Saade presented the Immigrant Heritage Month Proclamation which will be read at the next Town Council Meeting and encouraged Commissioners to attend. Helen Cospolich, Director of Municipal Services and Community Engagement, noted that Public Comment will take place before the reading of the proclamation, but anyone is still welcome to speak on the proclamations. Commissioner Martinez will attend the reading.

The Commission approved the proclamation.

**V. Pride Month Proclamation**

The Commission reviewed and approved the proclamation.

**VI. Community Influence & Education Subcommittee Proposed Change**

Chair Burns supported the proposed change to combine the Community Influence and Education Subcommittee with the Immigration Rights and Advocacy Subcommittee, viewing it as a valuable step toward increasing diversity and participation. Chair Burns also emphasized the benefits of having more voices and perspectives in subcommittee meetings to deepen discussions and streamline project development.

**VII. Subcommittee Updates**

***Celebrate Diversity / Community Outreach & Engagement /Community Education & Influence***

***Immigration Rights and Advocacy***

***Civic Engagement***

Commissioner Vatas provided an update on an initiative that would allow families to learn about and participate in mountain biking. Commissioner Vatas shared that the group is partnering with local partners including Duke Barlow from Open Space and Trails, Rich Bannock from Avalanche Sports (who will provide bikes), and a Recreation Department representative who can offer bilingual training. The initial bike ride is planned for an evening in June with several others throughout the summer months.

The Commission also agreed to move forward with the TreeTop grant

**VIII. Upcoming Community Events**

The Commission discussed upcoming events in the community. Chair Burns and Flor Cruz encouraged the Commissioners to participate and actively engage with the community.

**IX. *Upcoming Council Items***

Helen Cospolich, Director of Municipal Services and Community Engagement, invited Commissioners to ask questions or request for clarification if anything needed further explanation. She also noted that the upcoming evening Town Council meeting will begin at 7:00pm, during which the proclamations will be read.

**X. *Upcoming Agenda Topics***

**XI. *Other Matters***

**XII. *Public Comment (Non-Agenda Items)***

There was no public comment.

Chair Burns adjourned the meeting at 7:02 pm.

DRAFT

**Summit Stage**  
**May 28<sup>th</sup>, 2025**  
**Transit Board Meeting**

**Notes from current meeting:**

- Public Comment was received from residents of the Swan Meadow Village neighborhood where the Stage has contracted SP+ to run fixed route service for the residents of the Swan Meadow Village neighborhood connecting with the Stage routes at the entrance to Summit Cove. Resident feedback stated the service was unreliable and causing hardship to residents, including high school students relying on the service. The Stage has stated they now have the staffing and fleet capacity to run this service themselves and will work through transitioning the contractor out over the coming months.
- RTA Update – A consultant was selected to work with staff through the RTA implementation process. The regular June 26<sup>th</sup> Stage Board meeting will be the kickoff/introduction to what the process will entail and would be a good opportunity for anyone interested to hear about this very exciting project timeline. The meeting is held in person with an online option to listen in. Matt Hulseley can send the link and the agenda as the date nears, if interested.
- Staffing Update – For the first time in 6 years, basically fully staffed.

**Ridership:**

- Total April 2025 fixed-route ridership was 103,785. A 7.7% increase from April 2024 ridership of 96,346.
- Ridership changes by Route April 2025 vs. April 2024:

<b>Route</b>	<b>% Difference (Gain / Loss)</b>
Breckenridge - Frisco	17.6%
Frisco - Silverthorne	0.3%
Copper - Frisco	29.8%
Keystone/Dillon/Silverthorne	-7.1%
Swan Mountain Flyer	NA
Boreas Pass Loop	3.1%
Free Ride Purple Contract	97.8%
Silverthorne Loop	42.8%
Wilderness Loop	-13.2%
Blue River Commuter	-81.5%
Lake County Commuter	-6.6%
Park County Commuter	0.8%
<b>Total</b>	<b>7.7%</b>

\*Blue River Commuter and Park County Commuter were commingled to offer a more efficient service from end to end. This change reflects as a negative to the Blue River Route, but most riders are now served by the Park County Route, not necessarily utilizing other methods of transportation. The Purple Route increase reflects when the Free Ride transitioned from 1 bus to 2 buses mid-April. This number should normalize in May.



TRANSIT DEPARTMENT

970.668.0999 ph | 970.668.4165 f  
www.SummitStage.com

0222 County Shops Rd. | PO Box 2179  
Frisco, CO 80443

AGENDA

Summit County Transit Board Meeting

8:15am Wednesday, May 28<sup>th</sup>, 2025

In Person at the Senior Center, Loveland Room, 83 Nancy’s Place Frisco, CO 80443

Breakfast Items Provided

I. Welcome and Introductions

II. Approval of Minutes

Motion \_\_\_ 2<sup>nd</sup> \_\_\_ Approved \_\_\_ Rejected \_\_\_

III. Agenda Changes

Motion \_\_\_ 2<sup>nd</sup> \_\_\_ Approved \_\_\_ Rejected \_\_\_

IV. Recognition of Guests and Public Comment

Issues with Swan Meadow Shuttle Contractor (Miriam Garcia + Residents) 10 minutes

V. Monthly Update Items

- a. Financial Report/Project Update (Chris Lubbers) 10 minutes
- b. Operations Report (Alex Soto) 10 minutes
- c. Planning Update (Ann Findley) 10 minutes

VI. Discussion Items

- a. Progress Report on Proposed Revision to Bylaws (Chris Lubbers) 5 minutes
- b. RTA Progress Update (Chris Lubbers) 5 minutes

VII. Adjournment

Motion \_\_\_ 2<sup>nd</sup> \_\_\_ Approved \_\_\_ Rejected \_\_\_



## TRANSIT DEPARTMENT

970.668.0999 ph | 970.668.4165 f  
www.SummitStage.com

0222 County Shops Rd. | PO Box 2179  
Frisco, CO 80443

### SUMMIT COUNTY TRANSIT BOARD MONTHLY MEETING

Wednesday, April 30, 2025, 8:15 a.m.

#### SUMMARY MINUTES

#### I. CALL TO ORDER

The monthly meeting of the Summit County Transit Board on Wednesday, April 30, 2025, was called to order by Chris Lubbers, Transit Director at 8:15 a.m.

#### II. ROLL CALL

Board Members present and answered to the roll call were:

Tom Daugherty – Town of Silverthorne  
Candace De – Ten Mile Basin (At Large Member)  
John DeBee – Town of Blue River  
Cindi Gillespie – Copper Mountain Ski Resort  
Kyle Hendricks – Town of Dillon  
Brayden Hicks – Keystone Ski Resort  
Susan Juergensmeier – Snake River Basin (At Large)  
Carol Kerr – Town of Keystone  
Eric Mamula – Summit County  
Chelsea Roth (remotely) – Breckenridge Ski Resort

Guests present: Miriam Garcia, Mountain Dreamers; Jonathan Godes, Executive Director, I-70 Coalition; Graeme Bilenduke, Development, Copper Mountain; Olivia Butrymovich, Communications, Copper Mountain; Dustin Lyman, President and General Manager, Copper Mountain; Steve Swanson, Silverthorne; Joe Martin, (remotely) Via Transportation.

Staff present: Chris Lubbers, Transit Director; Alex Soto, Operations Manager; Ann Findley, Planner and Vivian Pershing, Admin.

#### III. APPROVAL OF MINUTES AND AGENDA

The minutes from the March 26, 2025 Summit County Transit Board monthly meeting were approved by Cindi Gillespie, seconded by Tom Daugherty who also moved to approve the April 30, 2025 meeting agenda. Motions carried.

#### IV. RECOGNITION OF GUESTS AND PUBLIC COMMENTS

Guests were recognized and welcomed. Comments received were made by representatives of Copper Mountain Resort regarding extra bus service needs for the World Cup events Nov. 27-30.

#### V. MONTHLY UPDATE ITEMS

##### A. Financial Report

Chris Lubbers discussed the Transit Financial Summary and Budget Report in detail, regarding current revenue, labor, administration/office, capital and fleet replacement, operation and maintenance, safety, training and recognition along with beginning and ending fund balances. A budget statement of current and previous year operating revenue and expenses expended year-to-date to March 31, 2025 and county

sales tax data for January 2025 was given. He mentioned the transit grants and projects for annual operating assistance and building projects and fleet purchases budgeted through 2027 and reviewed project funds that have been obligated and contracted following the project cashflow schedule. Financial Report was approved.

#### **B. Operations Report**

Alex Soto discussed the Transit Operations Summary in detail, focusing on bus operator staffing, training, recruiting efforts, and safety metrics. March fixed-route passenger counts, and ridership changes by route indicated a 4.9% increase, primarily in Copper Mountain, Boreas Pass Loop, Purple (Free Ride contract) and Park County Commuter routes and decreases in Lake County, Blue River Commuter, Frisco-Silverthorne, and Swan Mountain Flyer routes. Guests per hour were 24 average for Town-to-Town routes, 19 average for Town-to-Resort routes, 20 for Residential routes and 10 average guests per hour for Commuter routes. Maintenance technician staffing, work orders, bus and para transit availability, in and out of contract availability percentages, warranty issues, road calls, costs, preventative maintenance, bus performance (bus mileage and age), parts availability and budget impact were reviewed. The Operations and Maintenance Reports were approved unanimously by the board present.

#### **C. Planning Update**

Ann Findley noted the change to the summer bus schedule went smoothly. She requested topics for the July 30 annual planning meeting. Suggestions were financial preparations, bus availability and possible bus stop additions.

#### **D. Agenda Items**

Mr. Lubbers reviewed the proposed revision to the Bylaws adding representation for the Town of Keystone and an outreach community member. He reported on discussions with the consulting firm establishing a multi-member Regional Transportation Authority with the scope addressing the region's transportation needs, including improving infrastructure, enhancing mobility, and promoting sustainable transportation options.

### **VI. ADJOURNMENT**

The meeting was adjourned at 9:38 a.m.

Current Year (2025)

Previous Year (2024)

ACCOUNT DESCRIPTION	ORIGINAL APPROPRIATION	REVISED BUDGET	YTD EXPENDED	AVAILABLE BUDGET	% USED	ORIGINAL APPROPRIATION	REVISED BUDGET	YTD EXPENDED	AVAILABLE BUDGET	% USED
MASS TRANSIT TAX	(19,300,000)	(19,300,000)	(6,146,413)	(13,153,587)	32%	(19,300,000)	(19,300,000)	(7,650,517)	(6,531,421)	40%
TREASURER'S FEES	610,350	610,350	2,716	607,634	0%	175,000	175,000	68,686	68,686	39%
TRANSP SVC REV - LAKE	(120,000)	(120,000)	-	(120,000)	0%	(270,000)	(270,000)	(71,734)	(71,734)	27%
TRANSP SVC REV-PARK	(100,000)	(100,000)	-	(100,000)	0%	(100,000)	(100,000)	(100,000)	-	100%
GRANT REVENUE	(41,375,000)	(41,375,000)	(803,668)	(40,571,332)	2%	(38,315,993)	(38,315,993)	(572,218)	-	1%
ADVERTISING FEES	(100,000)	(100,000)	(102,308)	2,308	102%	(100,000)	(100,000)	(75,111)	(48,728)	75%
SALE OF ASSETS	-	-	-	-	-	-	-	(2,856)	(2,030)	-
MISC REVENUE	-	-	-	-	-	-	-	-	-	-
RENTAL INCOME	(40,000)	(40,000)	-	(40,000)	0%	(21,303)	(21,303)	-	-	0%
INTEREST REVENUE	(1,025,000)	(1,025,000)	(271,570)	(753,430)	26%	(300,000)	(300,000)	(225,650)	(225,650)	75%
<b>Revenue Total</b>	<b>(61,449,650)</b>	<b>(61,449,650)</b>	<b>(7,321,244)</b>	<b>(54,128,406)</b>	<b>12%</b>	<b>(58,232,296)</b>	<b>(58,232,296)</b>	<b>(8,629,400)</b>	<b>(6,810,877)</b>	<b>15%</b>
SALARY REGULAR	7,074,135	7,074,135	2,317,920	4,756,215	33%	5,761,571	5,761,571	2,056,115	3,705,456	36%
SALARY TEMPORARY	68,000	68,000	27,227	40,773	40%	50,000	50,000	26,454	23,546	53%
TRAINING PAY	15,000	15,000	7,750	7,250	52%	10,000	10,000	5,423	4,577	54%
VEHICLE ALLOWANCE	-	-	-	-	-	-	-	-	-	-
CRISP	844,906	844,906	263,693	581,213	31%	687,840	687,840	231,061	456,779	34%
RETIREMENT	211,579	211,579	65,521	146,058	31%	172,247	172,247	57,469	114,778	33%
HEALTH INSURANCE	916,183	916,183	305,973	610,210	33%	594,175	594,175	168,310	425,865	28%
MEDICARE TAX	113,203	113,203	38,941	74,262	34%	83,543	83,543	32,968	50,575	39%
UNEMPLOYMENT TAX	15,614	15,614	5,366	10,248	34%	11,523	11,523	4,546	6,977	39%
WORKMENS COMP	150,000	150,000	155,744	(5,744)	104%	300,000	300,000	143,240	156,760	48%
EMPLOYER 457 DEF COMP	42,316	42,316	13,104	29,212	31%	34,449	34,449	11,493	22,956	33%
OVERTIME	650,000	650,000	354,722	295,278	55%	460,000	460,000	201,539	258,461	44%
PAYROLL REIMBURSEMENT	-	-	-	-	-	-	-	-	-	-
<b>Labor Total</b>	<b>10,100,936</b>	<b>10,100,936</b>	<b>3,555,961</b>	<b>6,544,975</b>	<b>35%</b>	<b>8,165,348</b>	<b>8,165,348</b>	<b>2,938,618</b>	<b>5,226,730</b>	<b>36%</b>
OFFICE SUPPLIES	10,000	10,000	2,142	7,858	21%	10,000	10,000	2,691	7,309	27%
ADMINISTRATION	965,732	965,732	65	965,667	0%	812,535	812,535	812,535	-	100%
PROFESSIONAL ASSISTANCE	332,000	332,000	113,094	218,906	34%	332,000	332,000	110,120	221,880	33%
TELEPHONE	10,000	10,000	3,166	6,834	32%	10,000	10,000	3,316	6,684	33%
POSTAGE/FREIGHT	1,500	1,500	295	1,205	0%	100	100	15	85	15%
ADVERTISING/LEGAL NOTICES	60,000	60,000	1,343	58,657	2%	60,000	60,000	12,162	47,838	20%
PRINTING	4,000	4,000	-	4,000	0%	11,000	11,000	344	10,656	3%
<b>Administration/Office Total</b>	<b>1,383,232</b>	<b>1,383,232</b>	<b>120,105</b>	<b>1,263,127</b>	<b>9%</b>	<b>1,235,635</b>	<b>1,235,635</b>	<b>941,183</b>	<b>294,452</b>	<b>76%</b>
BUILDINGS	47,651,000	47,651,000	340,891	47,310,109	1%	46,568,000	46,568,000	935,192	45,632,808	2%
IMPR OTHER THAN BLDGS	-	-	-	-	-	-	-	1,448	(1,448)	-
BUSES/TRANSIT EQUIP	8,703,000	8,703,000	1,346,866	7,356,134	15%	6,171,280	6,171,280	310,565	5,860,715	5%
<b>Capital and Fleet Replacement Total</b>	<b>56,354,000</b>	<b>56,354,000</b>	<b>1,687,757</b>	<b>54,666,243</b>	<b>3%</b>	<b>52,739,280</b>	<b>52,739,280</b>	<b>1,247,205</b>	<b>51,492,075</b>	<b>2%</b>
BUILDING REPAIRS	45,000	45,000	19,369	25,631	43%	15,000	15,000	16,513	(1,513)	110%
BUS STOPS	20,000	20,000	6,712	13,288	34%	20,000	20,000	-	20,000	0%
EQUIPMENT REPAIRS	15,000	15,000	39	14,961	0%	15,000	15,000	394	14,606	3%
FUEL, OIL & ANTIFREEZE	900,000	900,000	329,691	570,309	37%	770,986	770,986	299,992	470,994	39%
MAINTENANCE CONTRACTS	175,000	175,000	63,064	111,936	36%	230,000	230,000	50,602	179,398	22%
OPERATING SUPPLIES	70,000	70,000	21,268	48,732	30%	55,000	55,000	31,960	23,040	58%
PURCHASED TRANSPORTATION	6,370,000	6,370,000	249,803	6,120,197	4%	497,760	497,760	146,895	350,865	30%
RENTAL PAYMENTS	7,200	7,200	2,400	4,800	33%	7,200	7,200	2,400	4,800	33%
REPAIR & MAINTENANCE	2,800,000	2,800,000	853,163	1,946,837	30%	2,400,000	2,400,000	844,444	1,555,556	35%
ROAD SAND & SALT	1,000	1,000	-	1,000	0%	1,000	1,000	-	1,000	0%
UTILITIES	170,000	170,000	66,194	103,806	39%	200,000	200,000	51,850	148,150	26%
<b>Operation and Maintenance Total</b>	<b>10,573,200</b>	<b>10,573,200</b>	<b>1,611,703</b>	<b>8,961,497</b>	<b>15%</b>	<b>4,211,946</b>	<b>4,211,946</b>	<b>1,445,050</b>	<b>2,766,896</b>	<b>34%</b>
SAFETY	13,500	13,500	-	13,500	0%	5,000	5,000	6,000	(1,000)	120%
INSURANCE/BONDS	205,000	205,000	235,999	(30,999)	115%	150,000	150,000	204,140	(54,140)	136%
<b>Safety and Insurance Total</b>	<b>218,500</b>	<b>218,500</b>	<b>235,999</b>	<b>(17,499)</b>	<b>108%</b>	<b>155,000</b>	<b>155,000</b>	<b>210,140</b>	<b>(55,140)</b>	<b>136%</b>
DUES & MEETINGS	30,500	30,500	30,940	(440)	101%	30,500	30,500	21,885	8,615	72%
EDUCATION & TRAINING	10,000	10,000	2,902	7,098	29%	10,000	10,000	5,957	4,043	60%
EMPLOYEE RECOGNITION	30,000	30,000	9,487	20,513	32%	20,000	20,000	7,657	12,343	38%
TRAVEL/TRANSPORTATION	12,000	12,000	1,366	10,634	11%	10,000	10,000	3,141	6,859	31%
UNIFORM ALLOWANCE	17,000	17,000	8,284	8,716	49%	17,000	17,000	5,744	11,256	34%
<b>Uniforms, Training and Recognition Total</b>	<b>99,500</b>	<b>99,500</b>	<b>52,979</b>	<b>46,521</b>	<b>53%</b>	<b>87,500</b>	<b>87,500</b>	<b>44,384</b>	<b>43,116</b>	<b>51%</b>
<b>Revenue Total</b>	<b>(61,449,650)</b>	<b>(61,449,650)</b>	<b>(7,321,244)</b>	<b>(54,128,406)</b>	<b>12%</b>	<b>(58,232,296)</b>	<b>(58,232,296)</b>	<b>(8,629,400)</b>	<b>(6,810,877)</b>	<b>15%</b>
<b>Expenses Total</b>	<b>22,375,368</b>	<b>22,375,368</b>	<b>5,576,747</b>	<b>16,798,621</b>	<b>25%</b>	<b>13,855,429</b>	<b>13,855,429</b>	<b>5,579,375</b>	<b>8,276,054</b>	<b>40%</b>
<b>Grand Total</b>			<b>(1,744,497)</b>					<b>(3,050,025)</b>		
<b>Capital and Fleet Replacement Total</b>	<b>56,354,000</b>	<b>56,354,000</b>	<b>1,687,757</b>	<b>54,666,243</b>	<b>3%</b>	<b>52,739,280</b>	<b>52,739,280</b>	<b>1,247,205</b>	<b>51,492,075</b>	<b>2%</b>
<b>Estimated Ending Fund Balance</b>	<b>33,358,417</b>									
<b>Effect on Fund Balance This Period</b>	<b>(56,740)</b>									

# Sales Tax Collections – Summit County, Colorado – March 2025

Good afternoon all, we are pleased to release the sales tax data for March 2025. March is historically one of our largest collection months.

The County's sales tax collections for the month were down 11.2% compared to March 2024. Much of this decrease is attributable to a decrease in Short Term Rental (STR) collections. This indicates a slowdown in short term rentals occupancy during our peak tourism Spring months, but is also exacerbated by the loss of Keystone short term rentals where a large concentration of the County's short term rental properties were located. Other highly impacted categories include construction, sporting goods stores, and restaurants.

Mass transit tax collections were down 5.9% for the month compared to 2024. The most impacted categories for mass transit collections include construction and short term rentals.

The County retains sales tax only for unincorporated areas (including Copper), whereas we retain all mass transit tax collections even for incorporated towns. As the decrease in sales tax (11.2%) exceeds the decrease in mass transit tax (5.9%), this may indicate the towns were not as impacted by the slow down in collections as unincorporated Summit County.

A few highlights:

**Sales Tax** (2024 categorical collection data still includes Keystone collections through June 2025 - negative swings greater than 33% are unfavorable, while negative swings less than 33% are favorable)

- Sales tax collections for the month of \$1,024,723 are 11.2% less than March 2024.
- Construction sales tax collections of \$28,424 are 56.3% less than March 2024.

# Sales Tax Collections – Summit County, Colorado – March 2025

- Short term rental sales tax collections of \$410,414 account for over 1/3 of the total and are 48.1% less than March 2024.

## Mass Transit Tax

- Mass transit tax collections for the month of \$2,207,089 are 5.9% less than March 2024.
- Construction mass transit tax collections of \$54,499 are 20.5% less than March 2024.
- Short term rental mass transit taxes of \$644,434 account for about 1/3 of the total are 9.6% less than March 2024.

## Out of State (Online)

- Sales taxes from out of state vendors amounted to \$133,068 for the month, down 21.7% from March 2024.
- Mass transit taxes from out of state vendors were \$207,826 for the month, up 11.1% from March 2024.

Due to a system error at the State, Quarter 1 lodging tax results have been delayed until the next reporting period, and will be reported with April sales tax data in June.

Please access the following link to view the detailed tables:

[https://1drv.ms/x/c/f3d595754ca1995f/EQZ1j1objM9Gj-0xVt4XKAUBkkfcP-p4\\_y7EUCpNh9bu1A?e=3bNQvV](https://1drv.ms/x/c/f3d595754ca1995f/EQZ1j1objM9Gj-0xVt4XKAUBkkfcP-p4_y7EUCpNh9bu1A?e=3bNQvV)

## **Summit Stage Operations Report May 28, 2025, Transit Board Meeting**

### **Operations Summary**

- ❖ Continuing to hire applicants who have already applied but we will not be taking any more applications after the end of this month
  - For the first time in about 6 years, we are very close to being staffed up with drivers
  - We will keep a close eye on this and begin accepting more applications if needed
- ❖ We have 5 operators currently in progress toward employment; 3 of them starting May 28<sup>th</sup>, 2 are set to start June 4<sup>th</sup>
- ❖ We have 1 driver who attended NEO on April 23 and he will test for his CDL May 23
- ❖ We have one driver who came to us with a CDL and she is in route training now
- ❖ We currently have 68 full-time drivers to cover 65 full-time shifts
- ❖ We have 5 operators currently on FMLA
- ❖ We currently have from 3 to 5 open shifts per day, after Extra Board and Part-Time Drivers
  - That is 21 to 35 open shifts per week covered by overtime
    - Much of this is due to the number of people on FMLA, in training, on vacation and sick time
  - Last week (May 18 – May 24) there were 27 shifts covered by overtime
    - Currently averaging 28 overtime shifts per week

### **SHOP REPORT**

- ❖ Kevin currently is staffed with 9 mechanics
  - 1 Mechanic short
- ❖ 100% of PMs were completed in April
- ❖ All bus contract availability 86%; targeting 85% to 90%, according to contract

## Summit Stage Ridership

Fixed Routes													
	April 2024 and 2025 Compared						% change	April 2024 and 2025 Y-T-D					
	2024			2025			2024 to	2024			2025		
	Guests	Hours	Guests/Hour	Guests	Hours	Guests/Hour	2025	Guests	Hours	Guests/Hour	Guests	Hours	Guests/Hour
<b>Town-To-Town Routes:</b>			<i>T-T std. = 22</i>			<i>T-T std. = 22</i>				<i>T-T std. = 22</i>			<i>T-T std. = 22</i>
Breckenridge-Frisco	17,125	921.7	18.6	20,134	1200.0	16.8	17.6%	94,947	3,295.3	28.8	100,232	4,800.0	20.9
Frisco-Silverthorne	15,060	482.5	31.2	15,105	482.5	31.3	0.3%	68,725	1,938.5	35.5	63,996	1,945.1	32.9
X Flyer Breck-Silverthorne	0	0.0	#DIV/0!	288	80.3	3.6	#DIV/0!	0	0.0	#DIV/0!	288	80.3	3.6
<b>T-T Subtotal</b>	<b>32,185</b>	<b>1404.2</b>	<b>22.9</b>	<b>35,527</b>	<b>1762.8</b>	<b>20.2</b>		<b>163,672</b>	<b>5,233.8</b>	<b>31.3</b>	<b>164,516</b>	<b>6,825.4</b>	<b>24.1</b>
<b>Town-To-Resort Routes:</b>			<i>T-R std. = 22</i>			<i>T-R std. = 22</i>				<i>T-R std. = 22</i>			<i>T-R std. = 22</i>
Copper Mountain-Frisco	10,425	715.0	14.6	13,528	915.0	14.8	29.8%	76,600	2,772.5	27.6	93,813	3,660.0	25.6
Keystone/Dillon/Silverthorne	23,091	1072.9	21.5	21,440	1693.9	12.7	-7.1%	112,028	3,569.0	31.4	111,497	6,412.5	17.4
X Flyer Frisco-Key-A Basin	0	0.0	#DIV/0!	560	132.0	4.2	#DIV/0!	0	0.0	#DIV/0!	560	132.0	4.2
SMF Total	3,894	469.6	8.3	0	323.8	0.0	-100.0%	24,573	2,342.7	10.5	18,901	2,285	8.3
<b>T-R Subtotal</b>	<b>37,410</b>	<b>2257.5</b>	<b>16.6</b>	<b>35,528</b>	<b>3388.5</b>	<b>10.5</b>		<b>237,774</b>	<b>11,026.9</b>	<b>21.6</b>	<b>243,672</b>	<b>14,774.5</b>	<b>16.5</b>
<b>Residential Routes:</b>			<i>Res std. = 14</i>			<i>Res std. = 14</i>				<i>Res std. = 14</i>			<i>Res std. = 14</i>
Boreas Pass Loop	5,157	446.6	11.5	5,319	580.0	9.2	3.1%	41,719	1,599.3	26.1	47,814	2,319.9	20.6
Purple (Free Ride contract)	5,169	520	9.9	10,222	510.0	20.0	97.8%	36,139	2,112.5	17.1	47,456	2,085.0	22.8
Silverthorne Loop	5,307	353.4	15.0	7,580	473.4	16.0	42.8%	25,128	1,243.4	20.2	28,371	1,893.6	15.0
Wilderness Loop	5,495	345.0	15.9	4,767	465.0	10.3	-13.2%	26,250	1,209.5	21.7	23,204	1,860.0	12.5
<b>Res Subtotal</b>	<b>21,128</b>	<b>1665.0</b>	<b>12.7</b>	<b>27,888</b>	<b>2028.4</b>	<b>13.7</b>		<b>129,236</b>	<b>6,164.7</b>	<b>21.0</b>	<b>146,845</b>	<b>8,158.5</b>	<b>18.0</b>
<b>Commuter Routes:</b>			<i>Com std. = 10</i>			<i>Com std. = 10</i>				<i>Com std. = 10</i>			<i>Com std. = 10</i>
Blue River Commuter	762	65.0	11.7	141	26.0	5.4	-81.5%	9,608	262.2	36.6	1,972	104.1	18.9
Lake County Commuter	2,412	378.0	6.4	2,253	378.0	6.0	-6.6%	11,790	1,524.6	7.7	10,311	1,512.0	6.8
Park County Commuter	2,429	246.0	9.9	2,448	246.0	10.0	0.8%	12,906	992.2	13.0	16,166	984.0	16.4
<b>Com Subtotal</b>	<b>5,603</b>	<b>689.0</b>	<b>8.1</b>	<b>4,842</b>	<b>650.0</b>	<b>7.4</b>		<b>34,304</b>	<b>2,779.0</b>	<b>12.3</b>	<b>28,449</b>	<b>2,600.1</b>	<b>10.9</b>
<b>Misc. Fixed Route Subtotal</b>	<b>20</b>	<b>0.0</b>	<b>n/a</b>	<b>0</b>	<b>0.0</b>	<b>n/a</b>		<b>1,032</b>	<b>0.0</b>	<b>n/a</b>	<b>854</b>	<b>0.0</b>	<b>n/a</b>
<b>FIXED ROUTE TOTALS</b>	<b>96,346</b>	<b>6,016</b>	<b>16.0</b>	<b>103,785</b>	<b>7829.7</b>	<b>13.3</b>	7.7%	<b>566,018</b>	<b>25,204.4</b>	<b>22.5</b>	<b>584,336</b>	<b>32,358.5</b>	<b>18.1</b>
Mountain Mobility/Para Transit													
	April 2024 and 2025 Compared							April 2024 and 2025 Y-T-D					
	2024			2025				2024			2025		
	Guests	Hours	Guests/Hour	Guests	Hours	Guests/Hour		Guests	Hours	Guests/Hour	Guests	Hours	Guests/Hour
<b>PARATRANSIT TOTALS</b>	<b>475</b>	<b>411.9</b>	<b>1.2</b>	<b>504</b>	<b>450.1</b>	<b>1.1</b>	6.1%	<b>1,844</b>	<b>1,721.0</b>	<b>1.1</b>	<b>2,182</b>	<b>1,854.0</b>	<b>1.2</b>
<b>GRAND TOTAL</b>	<b>96,821</b>	<b>6,427.6</b>	<b>15.1</b>	<b>104,289</b>	<b>8,279.8</b>	<b>12.6</b>		<b>567,862</b>	<b>26,925.4</b>	<b>21.1</b>	<b>586,518</b>	<b>34,212.5</b>	<b>17.1</b>

<b>CDOT Quarterly Report Data</b>	<b>Fixed Route</b>	<b>98,943</b>	<b>7179.7</b>
	<b>Commuter</b>	<b>4,842</b>	<b>650.0</b>



# MAY 2025

UPDATES

# Questions from April's Meeting:

- Breck Free Ride – why were March ridership so much higher? They usually run 2 buses and only charge us/report ridership for 1 bus; in March they only had 1 bus running for both routes, therefore we had ridership #s for both routes.
- Blue River ridership – Jan 1 thru April 30 2024 we had 4804 passengers. Jan 1 thru April 30 2025 we had 3313.

2024				
Monthly Riders:	January	February	March	April
<b>Town to Town Routes</b>				
Breckenridge-Frisco	27,447	25,692	24,683	17,125
Frisco-Silverthorne	18,276	17,248	18,141	15,060
<b>Swan Mtn. Express</b>	662	1,020	1,023	413
<b>Town to Resort Routes</b>				
Copper Mountain-Frisco	20,849	22,058	23,268	10,425
Keystone-Silverthorne	29,921	29,041	29,975	23,091
<b>SMF Total</b>	<b>6,031</b>	<b>7,394</b>	<b>7,254</b>	<b>3,894</b>
<b>Residential Routes</b>				
Boreas Pass Loop	11,718	13,609	11,235	5,157
Purple (Free Ride contract)	10,628	10,742	9,600	5,169
Silverthorne Loop	6,365	6,667	6,789	5,307
Wilderness Loop	7,358	6,736	6,661	5,495
<b>Commuter</b>				
Blue River Commuter	3,526	3,325	1,995	762
Lake County Commuter	3,221	3,021	3,136	2,412
Park County Commuter	4,128	3,333	3,016	2,429

2025				
Monthly Riders:	January	February	March	April
<b>Town to Town Routes</b>				
Breckenridge-Frisco	29,470	25,390	25,238	20,134
Frisco-Silverthorne	17,633	15,099	16,159	15,105
X Flyer Breck-Silverthorne	0	0	0	288
<b>Town to Resort Routes</b>				
Copper Mountain-Frisco	25,697	26,925	27,663	13,528
Keystone-Silverthorne	32,165	28,699	29,193	21,440
<b>SMF Total</b>	<b>6,673</b>	<b>6,110</b>	<b>6,118</b>	<b>3,433</b>
X Flyer Frisco-Key-A Basin	0	0	0	560
<b>Residential Routes</b>				
Boreas Pass Loop	14,697	14,694	13,104	5,319
Purple (Free Ride contract)	10,185	12,032	15,017	
Silverthorne Loop	6,561	6,446	7,784	7,580
Wilderness Loop	6,703	5,576	6,158	4,767
<b>Commuter</b>				
Blue River Commuter	787	619	425	141
Lake County Commuter	2,735	2,685	2,638	2,253
Park County Commuter	5,264	4,588	3,866	2,448



# TreadShare Carpooling App:

- As a stop gap measure while we work through a possible Kremmling to Silverthorne bus route; the TreadShare Carpooling App may be a possibility.
- TreadShare started a few years ago along the Denver to Summit County I70 corridor. This past year they partnered with A Basin to encourage their employees & customers to carpool; A Basin pays their fuel costs for their employees).
- [https://youtu.be/LDIS\\_QdJUy0](https://youtu.be/LDIS_QdJUy0)

## Treadshare con't:

- They are looking for a \$1000/month subscription which would mainly cover advertising expenses and gift cards to the initial drivers & riders.

# Kremmling:

- On May 16, Chris & I met with several Grand County, Kremmling, Silverthorne & RTCC members to discuss the possibility of service between Kremmling & Silverthorne.
- Everyone is very interested; but, it comes down to money & approval from the rest of their council members.
- Kremmling is going to add a discussion to their June Town Council work session and Grand County expressed support.

# July Planning Session:

- Potential Topics?
  - New bus stops?
    - Top of Dillon hill at the traffic light
    - Carroll Ln (North Star neighborhood)
    - Keystone, Wintergreen?
  - New bus routes?
    - Kremmling-Silverthorne
  - Financials – what is our bottom line before we need to reduce service?

# Swan Meadow Village

## Alternate Bus Stop Location



**LIMITATIONS:**

- 1) COORDINATION/AGREEMENT WITH CURRENT OWNERS
- 2) PEDESTRIAN ACCESS IS NOT AS SEEMLESS
- 3) NO CURRENT SURVEY OF THIS AREA TO DESIGN TO.
- 4) LIKELY TO REQUIRE ADDITIONAL GEOTECH BORING/REPORT ADDENDUM FOR BUS PAVING/TRAFFIC.
- 5) WILL NEED ASSESSMENT IF ENTRANCES ARE WIDE ENOUGH FOR BUS TRAFFIC, AND PEDESTRIANS ON NORTH ENTRANCE. - MAY REQUIRE RAILINGS.

**BENEFITS:**

- 1) NO PROPOSED CULVERTS
- 2) NO WETLANDS DISTURBANCE
- 3) MINIMAL GRADING
- 4) CONSTRUCTION COSTS POTENTIALLY SIGNIFICANTLY LOWER

SHIFT STORAGE NORTH - CAN UTILIZE SECOND ENTRANCE AT EXISTING CULVERT AT NEED. WILL NEED TO EXTEND FENCING & GRAVEL PAVING NORTH.

PROPOSED BUS STOP LOOP. UTILIZE EXISTING CULVERTS IN PLACE FOR LOOP. UTILIZE EXISTING FLAT AREA FOR BUS STOP & LOOP PAVING.

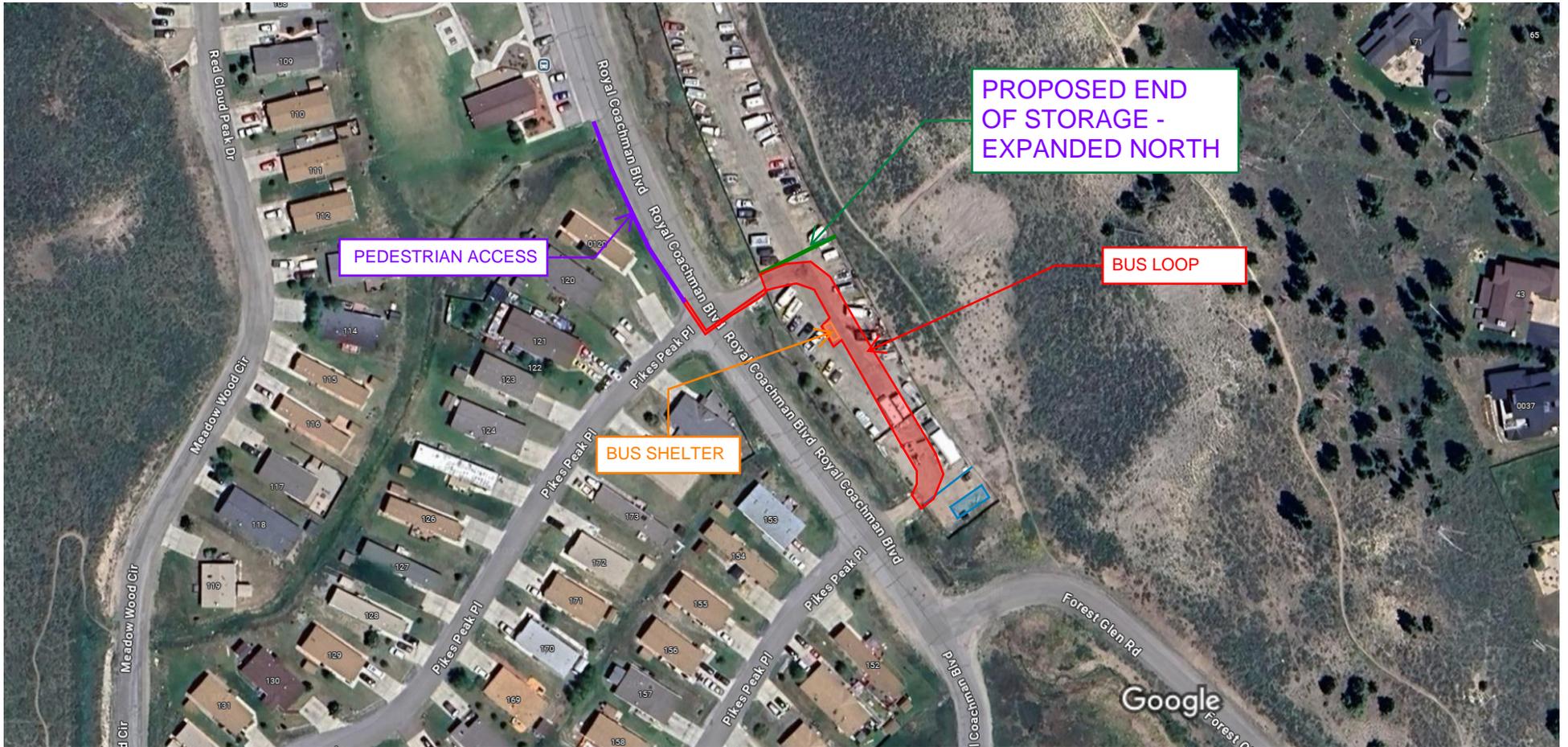
COULD POSSIBLY INCORPORATE PARKING/FUTURE PASSENGER PARKING INTO THIS FOOTPRINT WITH MINIMAL GRADING

IF FEASIBLE, SHIFT BUILDING TO SOUTH AND FENCE IN SECURELY. CAN STILL UTILIZE EXISTING ENTRANCE

COULD STILL BE SOME SPACE TO INCORPORATE STORMWATER DETENTION/WATER QUALITY INSIDE THE LOOP



### Swan Meadow Village



Imagery ©2025 Airbus, Maxar Technologies, USDA/FPAC/GEO, Map data ©2025 Google 50 ft



# SUMMIT COUNTY TRANSIT HEADQUARTERS & EMPLOYEE HOUSING

Monthly Status Report – April 2025

Issued: May 12<sup>th</sup>, 2025



## Summit County Transit Transit Headquarters & Employee Housing Monthly Progress Report

<b>Project Manager:</b>	Tom Kenyon, Artaic Group	<b>Report Date:</b>	May 12th 2025
<b>GC Superintendent:</b>	Shane Cowan, JHL Constructors	<b>Report Number:</b>	1
<b>Architect:</b>	Kristy Butchko, D2C	<b>Project Phase:</b>	Construction (Excavating)

### Executive Summary

The project is progressing according to plan. Site mobilization and initial excavation activities have begun. Key utility and material coordination efforts are in progress, including fiber optic redesign and Buy America compliance documentation.

#### Snapshot Project Status:

Category	Status	Artaic Comments
Construction Schedule	<b>On Track</b>	<i>Mobilization is complete. Mass grading and excavation continue as planned</i>
Construction Costs	<b>On Track</b>	<i>JHL is preparing to issue 100% Construction Documents updated pricing</i>
Materials	<b>Warning</b>	<i>Long lead times items such as switch gear need to be procured early</i>
Utilities	<b>On Track</b>	<i>Awaiting signature for gas agreements, install expected for late Summer</i>
Fiber relocation	<b>Red Flag</b>	<i>To meet future expansion needs the fiber relocation is being redesigned</i>
Materials	<b>Warning</b>	<i>Long lead times items such as switch gear need to be procured early. JHL is working through Buy America Compliance with vendors. Standardized certificate of compliance will be used on all materials going forward</i>
CDOT / FTA Compliance	<b>Warning</b>	<i>JHL is working closely with CDOT to ensure compliance with onboarding subcontractors into LCP Tracker / B2G. A standardized Buy America form will be required with all product submittals.</i>

**Comments:** Budget, schedule and scope remain on track

## Schedule

**Work Completed in April:** JHL mobilized on site, installed erosion control and site fencing. Crews began hauling off the large boulders on site, once removed mass grading began. Four trucks are being used to haul materials off site to SCRAP

**Upcoming Work in May:** Mass site grading will continue throughout May. A stormwater line that runs through the building site will be relocated outside of the building footprint. The stormwater line runs parallel to three fiber optic lines that will also be rerouted.

**Schedule Risks:** Artaic is monitoring several near-term risks that could impact critical path:

- **Permitting Delays:** Building permits submitted April 16 due to PUD modification delays. Site grading continues under separate permit.
- **Fiber Relocation:** The County has requested that fiberoptic path be re-routed west of the CDOT building. The new design has been completed and awaiting updated pricing from JHL.

**Figure 1: Current Schedule vs Baseline**

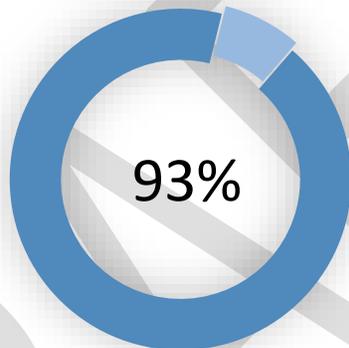
Construction Milestones	Working Baseline GMP - 1/23/2025		Current Schedule 3/7/2025		Current vs Baseline
	Start	Finish	Start	Finish	Cal. Days
<b>Contract Milestones</b>					
NTP: Construction Start	4/1/2025	-	3/17/2025	-	-15
Substantial Completion	-	7/10/2026	-	7/29/2026	19
Final Completion	-	7/17/2026	-	8/27/2026	41
<b>Site Work / Utilities</b>					
Utility Relocations	4/15/2025	5/12/2025	4/29/2025	5/27/2025	15
Mass Grading	4/18/2025	6/11/2025	4/25/2025	5/27/2025	-15
<b>Foundations</b>					
FRP Stem Walls	6/27/2025	7/8/2025	7/3/2025	7/31/2025	23
Backfill Foundation	7/30/2025	8/1/2025	10/9/2025	10/13/2025	73
<b>Structure</b>					
Precast Install	8/1/2025	9/26/2025	8/1/2025	10/6/2025	10
High Roof - Standing Seam	8/22/2025	10/14/2025	8/22/2025	10/14/2025	0
<b>Interiors</b>					
Level 1 Rough In	12/2/2025	3/5/2026	12/26/2025	3/25/2026	20
Level 1 Finishes	3/6/2026	4/13/2026	3/26/2026	5/1/2026	18
Level 2 Rough In	8/22/2025	12/30/2025	8/22/2025	12/30/2025	0
Level 2 Finishes	12/31/2025	5/29/2026	12/31/2025	5/29/2026	0
Level 3 Rough In	8/19/2025	3/2/2026	8/19/2025	1/19/2026	-42
Level 3 Finishes	3/3/2026	5/26/2026	1/20/2026	4/13/2026	-43
Vehicle Bays	12/2/2025	6/25/2026	12/26/2025	6/15/2026	-10
<b>Final Sitework</b>					
Landscaping	5/22/2026	6/19/2026	5/15/2026	6/19/2026	0
Asphalt Paving	6/22/2026	6/26/2026	6/15/2026	6/19/2026	-7

## Budget / Cost Control

**Figure 2: Budget Status**

Project	Budget	Spent To Date	Contingency Remaining
Transit	\$43,457,170	\$3,488,634	\$2,257,157
Housing	\$4,840,000	\$453,594	\$200,000

### OVERALL BUDGET COMMITTED



**Change Orders:**

- No construction change orders issued in April.
- D2C issued Add Service #1 **\$285,505**, under review by Artaic.

Potential Change Orders Transit Only				
PCO #	Description	Date	ROM Budgeted	ROM Contingency
1	Update Fiber Design			\$ 85,000
2	100% GMP Revision Pricing			\$ 150,000
<b>Total: PCOs/ROM</b>			\$ -	\$ 235,000

Pricing PCO 1 & 2 is only an estimate per discussions with JHL.

Potential Change Orders Housing Only				
PCO #	Description	Date	ROM Budgeted	ROM Contingency
<i>Not Tracking Any PCO's</i>				
<b>Total: PCOs/ROM</b>			\$ -	\$ -

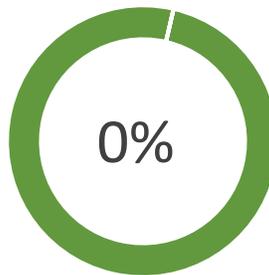
Executed Change Orders Transit Only			
PCO #	Description	Date	Amount
<i>No Executed Change Orders in April</i>			
<b>Total:</b>			\$ -

Executed Change Orders Housing Only			
PCO #	Description	Date	Amount
<i>No Executed Change Orders in April</i>			
<b>Total:</b>			\$ -

### Contingency

Owner Contingency Summary	Original Balance	Transfers	Current Balance	% of Orig. Balance
<i>Transit Operations Owner Contingency</i>	\$1,757,157	\$ -	\$ 1,757,157	100.00%
<i>Transit Operations Cost Escalation</i>	\$500,000	\$ -	\$ 500,000	100.00%
<i>Transit Housing Owner Contingency</i>	\$200,000	\$ -	\$ 200,000	100.00%
<b>Total:</b>		\$ -	\$ 2,257,157	

## OVERALL OWNER CONTINGENCY USED



Both Transit and Housing owner contingency were unused during April, overall contingency amounts are healthy going into the start of construction. With Buy America specifications for all projects, tariff escalation costs remain low for the project.

### *Design and Permitting*

Building permit has been submitted and is under review.

M/E/P permits have been submitted and under review.

Summit Fire & EMS Permit – Plan review pending payment.

### *Owner Procurement*

<b>Scope</b>	<b>Status</b>
FF&E	RFQP to be issued May 2025; \$275,000 budgeted
Construction Testing	Kumar & Associates selected; contract under review
Access Control	Pine Cove Consulting selected; proposal expected mid-May
Structured Cabling	Submissions received; coordination ongoing with Summit County IT

### *Project Issues / Risks*

While no immediate issues have been encountered, typical risks at this stage of the project include:

- **Unforeseen underground conditions**, such as undocumented utilities, debris, or unsuitable soils
- **Weather delays** impacting excavation productivity and material handling.
- **Utility coordination challenges**, particularly during active fiber and storm line rerouting
- **Safety concerns** related to heavy equipment operation and open trenching.
- **Potential schedule impacts** from permit delays or extended potholing requirements

Mitigation strategies are in place, and the team continues to monitor and address these risks proactively.

## *Attachments*

### **1. Progress Photos**

Photo 1



Entrance into Project Site

Photo 2



Ongoing Excavation

Photo 3



Storm Inlets Arriving

Photo 4



Staking Stormwater Line

Photo 5

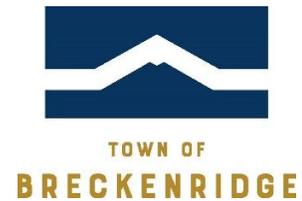


Site Excavation

Photo 6



Job Trailer



# Memo

To: Breckenridge Town Council Members  
From: Jon Dorr, Assistant Director of Recreation  
Date: 6/4/2025 (for the 6/10/25 work session)  
Subject: Breckenridge Events Committee

---

The Breckenridge Events Committee met on June 4, 2025. Below you will find the meeting minutes and a link to the SEPA calendar. Upcoming summer events were shared with schedule details. BEC and SEPA supported the date change of the International Snow Sculpture Championships in 2026. There are no additional items of note.

---

**Minutes**  
**Breckenridge Events Committee**  
**Wednesday, June 4, 2025**  
***Right event, right time, right result***

**Attending:** Michele Chapdelaine, Jeff Edwards, Tony Cooper, Dave Feller, Carter Nelson, Kelly Sanders, Cait McClusky, Jon Dorr, Marika Page, Lucy Kay, Ken Miller, Jen Mehlin, Jaqueline Stone  
**Guests:** Sarah Wetmore, Becca Reniers, Majai Bailey, Mike McCormack

- I. **Michele called the meeting to order at 9am.**
  - a The Committee Chair took roll call.
  - b A motion was made to approve May 7, 2025, meeting minutes.
    - **M/S/P**
  
- II. **Upcoming Events – BEC reviewed events through July and had no concerns**
  - a 6.6.25 Town Party – Breck Create @ RWC
  - b 6.8-9.21.25 Breck Sunday Markets @ MSS
  - c 6.12.25 RAM Legacy in Action Day @ Carter Park
  - d 6.12-8.21.25 AirStage Après Series – Breck Create
  - e 6.14.25 Breck Pride Party on RWC Lawn – BTO (*Pride activations all week June 9-15*)
  - f 6.19-9.25.25 Breckenridge Farmers Market @ Exchange Lot
  - g 6.21-8.9.25 NRO Summer Music Festival
  - h 6.27-28.25 Breckenridge Agave Festival @ MSS
  - i 7.3-5.25 42<sup>nd</sup> Breckenridge July Art Festival @MSS
  - j 7.4.25 Fourth of July: **have also secured drone show for 7/2/26 via CTO grant**
    - Main Street Parade – BTO
    - Breck Create 4<sup>th</sup> of July Animation
    - NRO Concert

- k 7.19.25 Breck Summer Beer Festival @ Beaver Run
- l 7.25-26.25 Breck Food & Wine Festival @ MSS

**III. Review Past Events – BEC reviewed past events and had no concerns**

- a 5.21.25 SHS Grad Parade
- b 5.31.25 Town Clean Up Day – TOB

**IV. General Updates and Discussion**

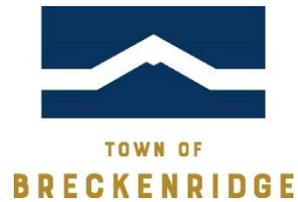
- a Breck Epic Fee Waiver Approval
  - Requesting same fees to be waived as prior 5 years - after waiver Breck Epic will still pay approx. \$1000 in fees. SEPA has no concerns.
  - M/S/P to waive fees for Breck Epic
- b General reminder that each organization has 1 representative with 1 vote per member organization. BEC to have a future discussion about evaluating events more strategically. SEPA evaluates “can we do it” while BEC evaluates “should we do it”.
- c Proposed moving ISSC dates back a week (carving beginning 1/24/26) as to avoid overlap with MLK weekend. Has been vetted with vendors, TOB, lodging and all are in support of moving away from MLK weekend. BEC had no concerns with new date.

**V. Next BEC Meeting moved to Wednesday, July 9, 2025 at 9:30am**

**VI. Meeting adjourned at 9:30am.**

**The Breckenridge Events Committee evaluates events against four strategic goals:**

- **Build Business** - An event designed to drive revenue for greater business community.
- **Branding/Media** - An event designed to draw external media (national & international) promoting the Breckenridge brand.
- **Fundraising** - An event designed to raise awareness and funding for a non-profit organization's mission.
- **Resident Focused** - An event designed specifically for residents vs. an event more broadly marketed to visitors and residents.



# Memo

**To:** Town Council  
**From:** Garrison Green, Administrative Sergeant  
Susan Horan, Records and Municipal Court Coordinator  
**Date:** 05/30/2025 (for 06/10/2025 work session)  
**Subject:** Public Safety Update- 2025 Q1

---

## Summary

This memorandum provides Town Council with statistical data from the Breckenridge Police Department and Breckenridge Municipal Court on police activity in Breckenridge for the first quarter (Q1) of 2025. Staff seeks Town Council feedback on on-going police initiatives and future recommendations.

## Background

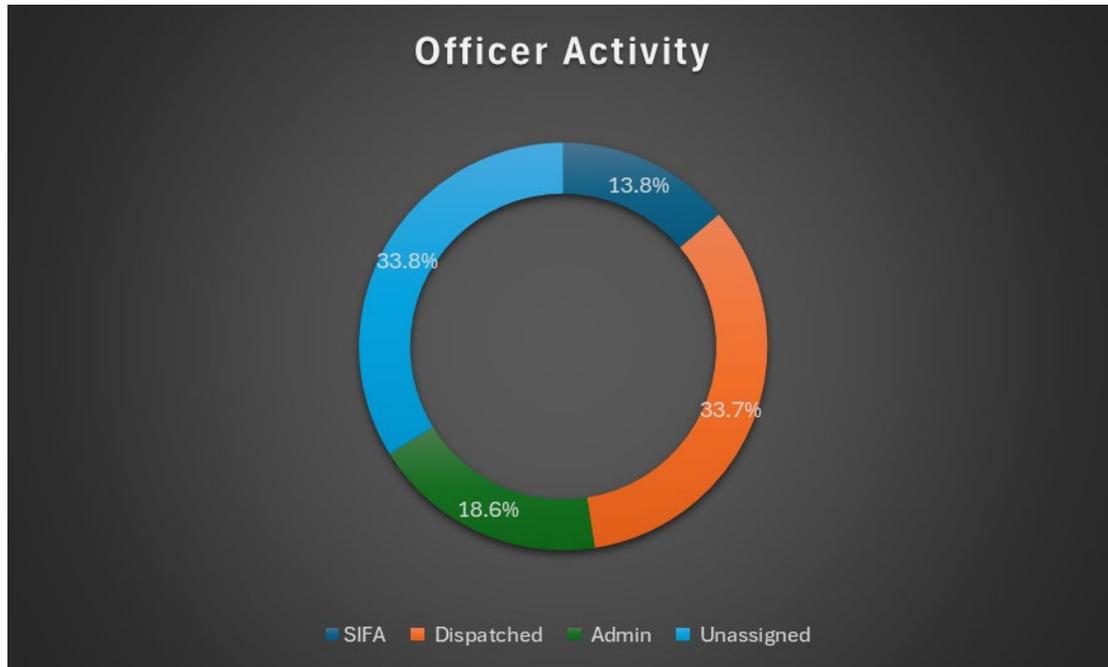
This report reviews the day-to-day activity of the department for January through March of 2025. This includes a breakdown of how staff spent their time in addition to the predominant call types to which they responded. Staff activity data is collected from reports in our Computer Aided Dispatch (CAD) program, our records management system, and Citizen Contact (an application used to document police-initiated enforcement contacts with the public).

Of note in January, the Breckenridge Police Department implemented Chargerback, a free online program in which the owner of lost property self-reports a lost item. Found property is turned into the PD front desk or collected by an officer in the field before being logged into the Chargerback program. As a result, there has been a significant reduction in lost and found property calls for service generated. Officer time dedicated to lost and found property calls has been greatly reduced and the rate of return has increased. Additionally, Chargerback is utilized by Vail Resorts, which expands the functionality of the resource and re-connects more owners with their lost and found property in Breckenridge. In Q1, there was a property return success rate of 19%. There is not a reporting method in our records management system to effectively capture our previous return success rate, but anecdotally the rate of return is believed to be around 10%.

Also included in this report is data from Breckenridge Municipal Court. The Municipal Court system is separate from the PD system. It should be noted that dates for Municipal Court are at least 45 days out from the date a citation or summons is issued. As a result, Q1 data from Municipal Court will not perfectly align with police activity in the same time period.

Staffing Update: Two officers left the department in Q1, however, staffing levels improved overall as four cadets graduated academy and began their field training program. All four cadets have completed or are projected to complete their field training in Q2. We also learned of the departure of Chief Baird in Q1. Patrol sergeants have been tasked with guiding the new staff and ensuring department morale and productivity remain high during this transition period.

# Officer Activity



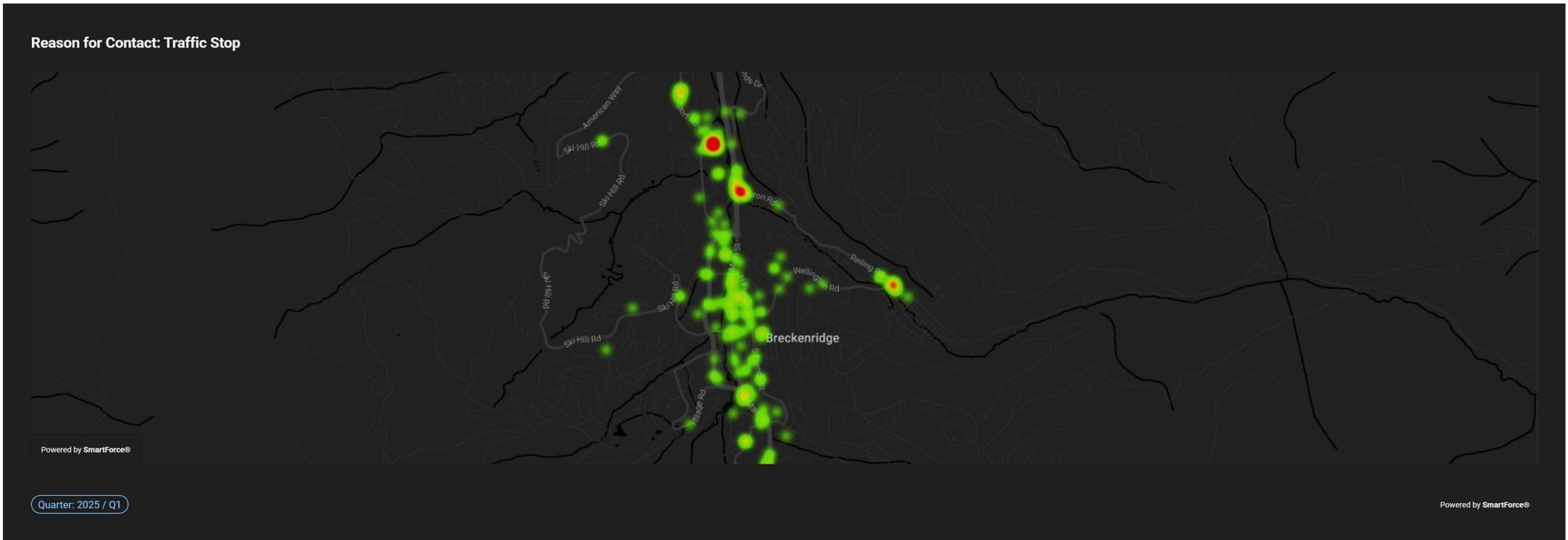
This chart shows how officers spent a percentage of time on shift during Q1.

- The SIFA portion pertains to Self-Initiated Field Activity. This includes traffic stops, area and foot patrols, and other activities officers initiated on their own.
- The dispatched portion is for time spent on calls for service as well as time to conduct follow-up and write reports.
- Admin time includes training, supervisory duties, and other office related work.
- Unassigned time is when officers are not actively working on a task, are available for calls for service, and generally patrolling around town.

# Traffic Stop Locations

The hot spot map shows traffic stop locations in Q1. The progression of color from green to yellow to red indicates an increasing concentration of traffic stop in those locations. Traffic enforcement efforts are guided by areas known to be hazardous as well as citizen comments. The goal of traffic enforcement is not only to enforce traffic laws but also change driver behavior and educate the public of the necessity to drive slower in specific areas due to the increasing likelihood of pedestrians nearby.

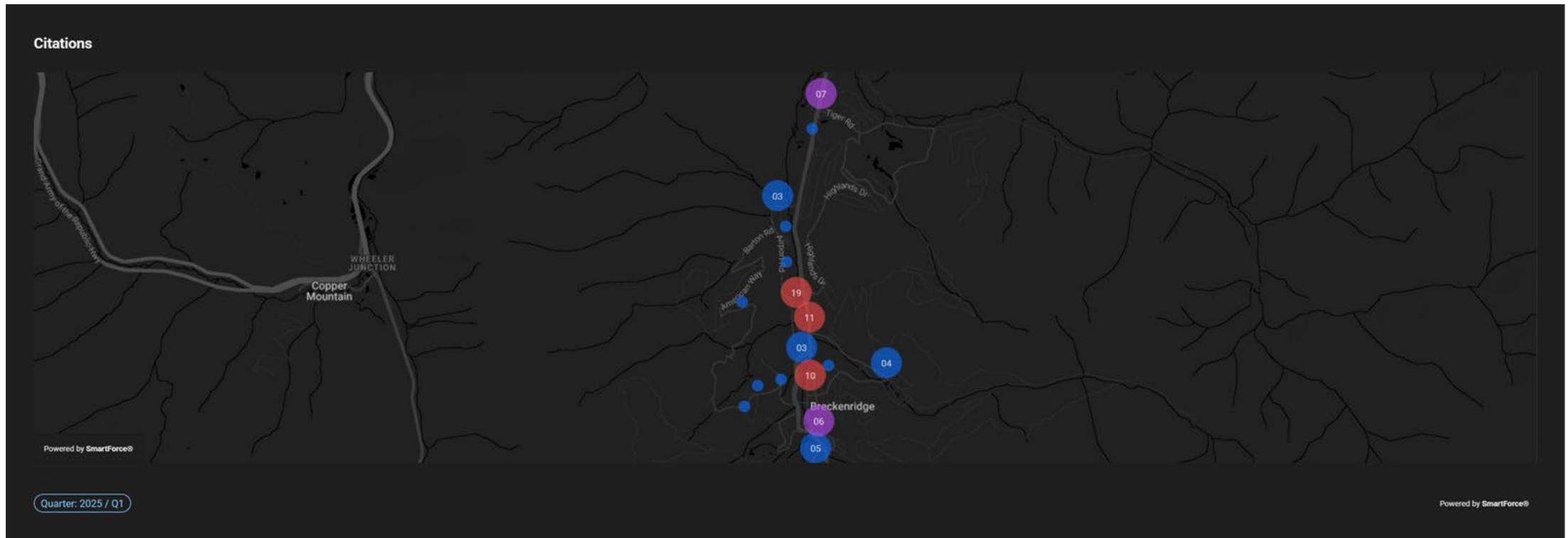
As seen below, the warmer colors are just north of Main Street, along Airport Road (School Zone and Rec Center pedestrians), and near local neighborhoods (Wellington, Vista Point, Lincoln Park).

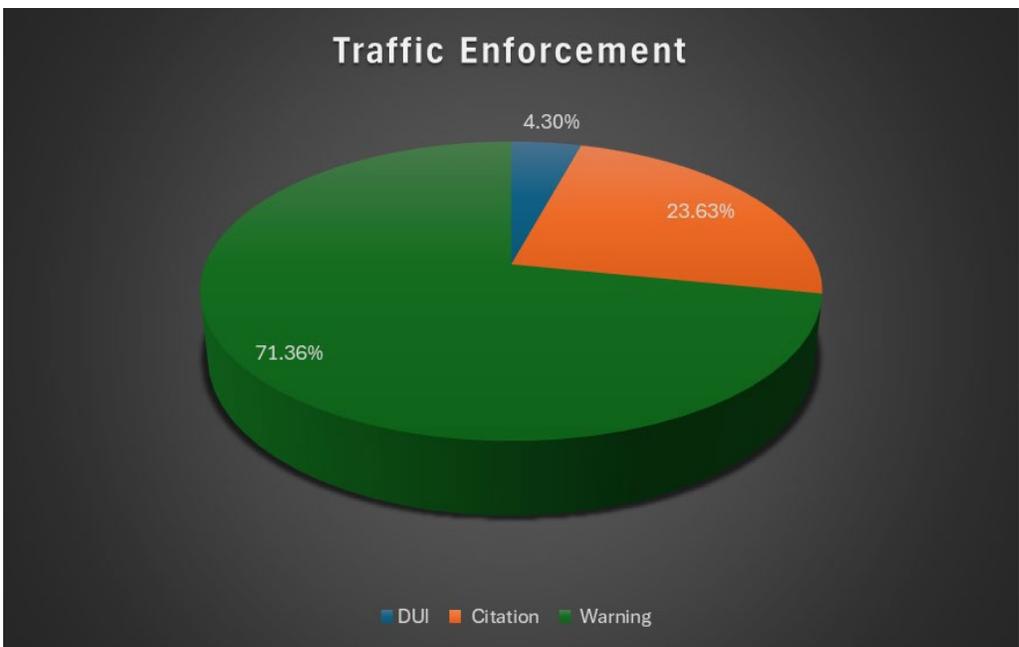
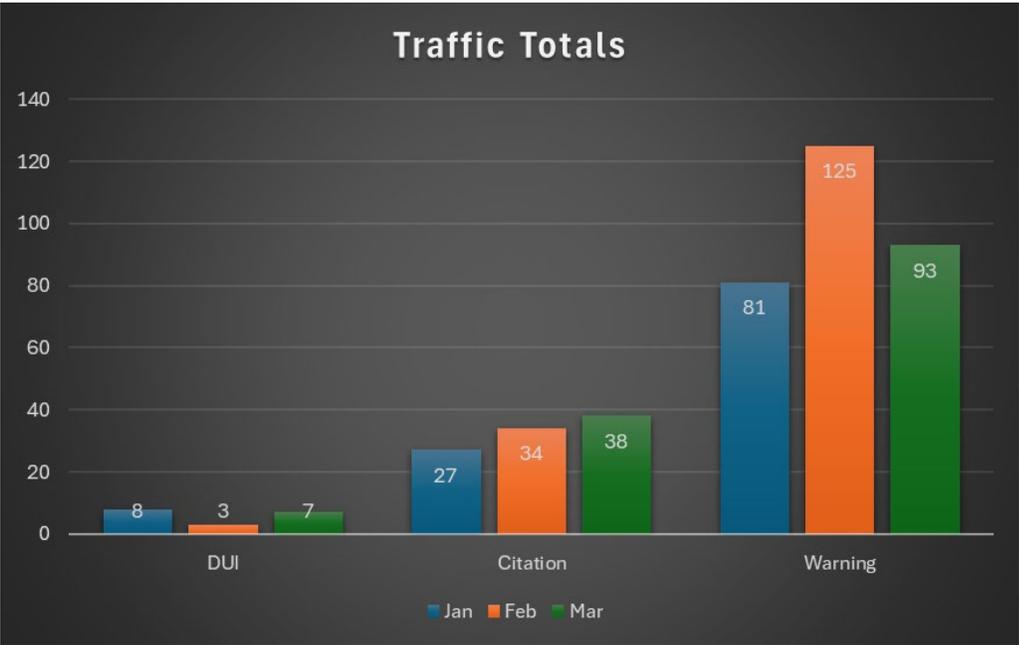


# Traffic Citation Locations

Similar to the hot spot map on the previous slide, this map shows the main locations where traffic citations are issued. This map is zoomed out slightly to include the traffic enforcement efforts along Highway 9, which has garnered increased attention from Breck PD, as well as the Summit County Sheriff's Office and Colorado State Patrol due to the proclivity of speeders along that stretch of road.

Generally, citations are written in the core of Town, where speeds are lower and there is an increase in pedestrian traffic.





# Traffic Enforcement

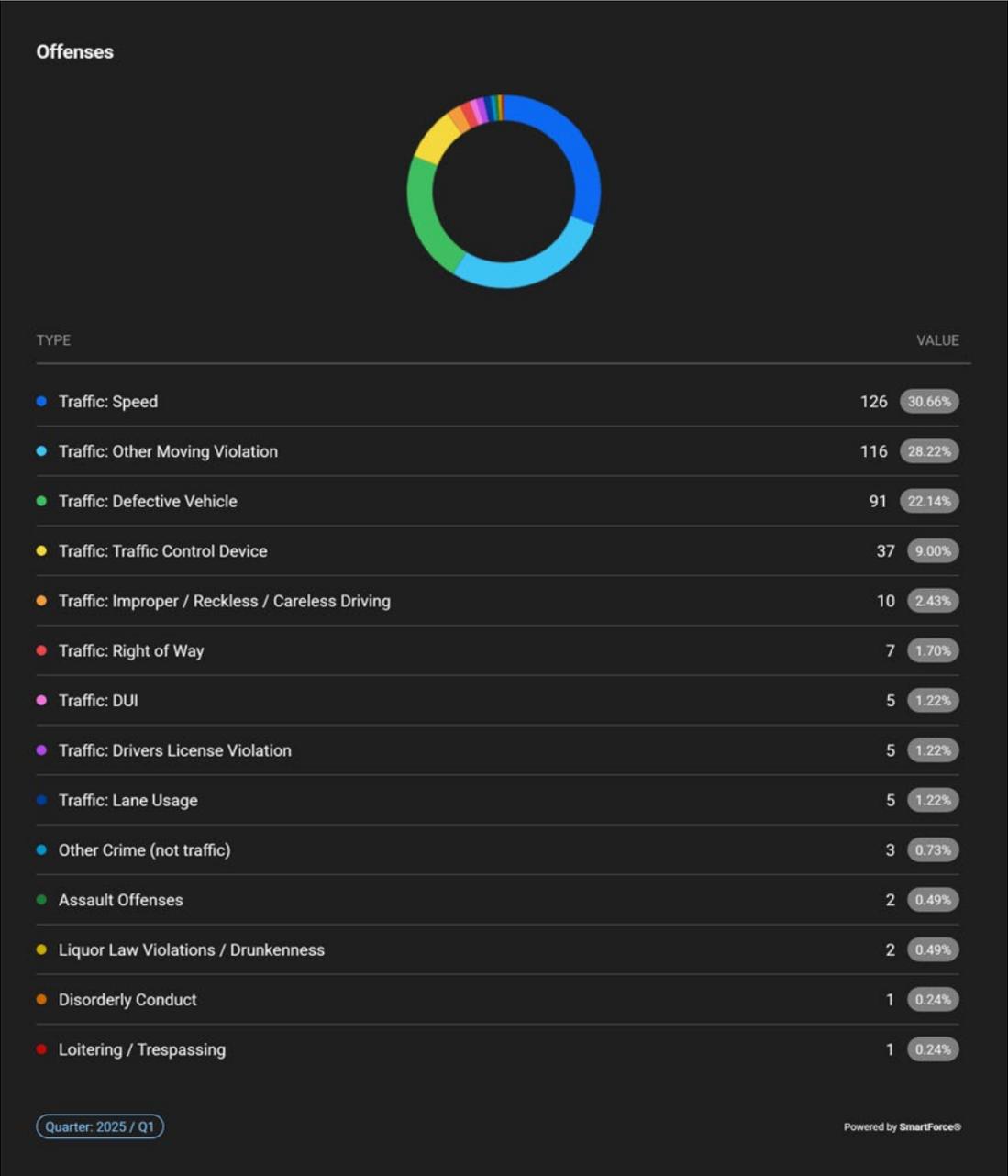
These charts breakdown how many traffic stops were made in Q1 as well as the outcome of the traffic stop. Some items of note from these statistics:

- Overall traffic stop numbers increased from 246 total stops in Q4 of 2024 to 299 total stops in Q1.
- The citation percentage increased from 13% in Q4 of 2024 to 23% in Q1 of 2025.
- DUI enforcement increased from 2% to 4%.

# Reason for Contact

This chart breaks down the reason for the traffic stops in Q1. Speeding remains the predominant reason for traffic stops, along with “Other Moving Violations”, which is most commonly failing to stop at a stop sign in Breckenridge.

- Please note that these totals will not perfectly align with overall traffic numbers, as officers can select multiple reasons for a stop. For example, a driver may be speeding while also having a headlight out.

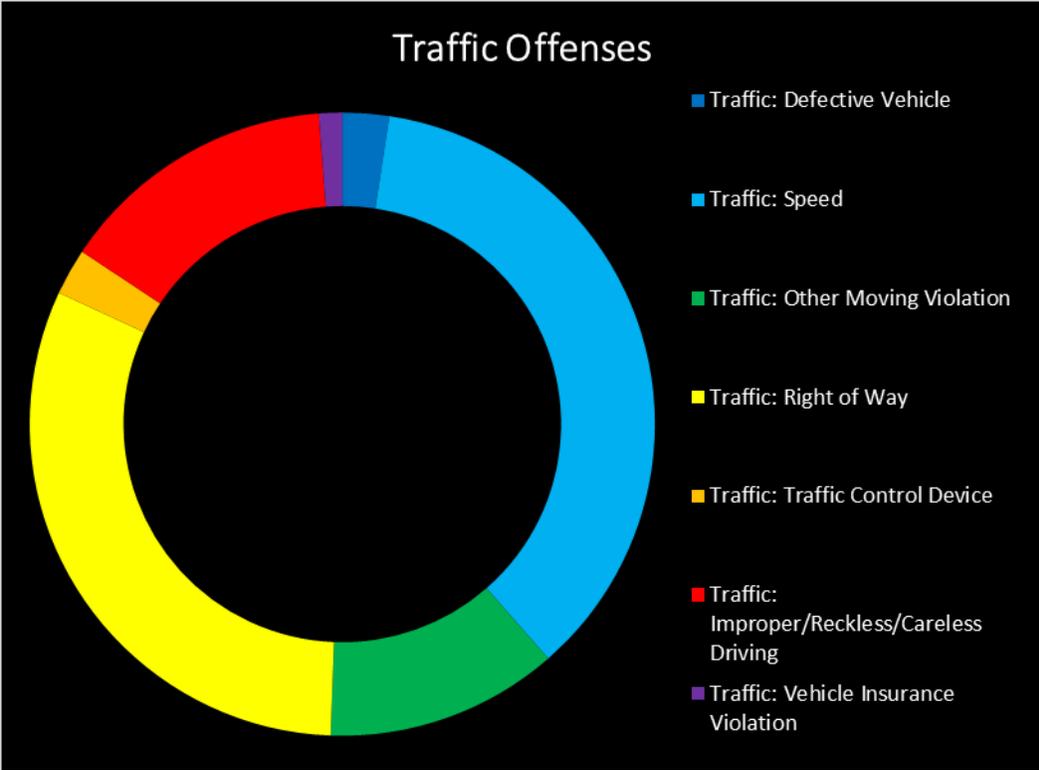


# Muni Court Traffic Offenses

The below data is for traffic offenses written into Breckenridge Municipal Court. These numbers vary from the overall data reported from the Police Department for multiple reasons. First, not all traffic citations are written into Municipal Court as some are state specific charges that are required to be written into County Court, like DUI's or offenses related to driver's licenses and vehicle registration. Additionally, the location of the traffic offense requires the citation be written into County Court, such as stretches of Highway 9 that are technically not located within the Town of Breckenridge. Finally, we must consider the minimum 45-day delay between the issuance of the citation and the first court appearance.

**TRAFFIC OFFENSES – CLOSED CASES**

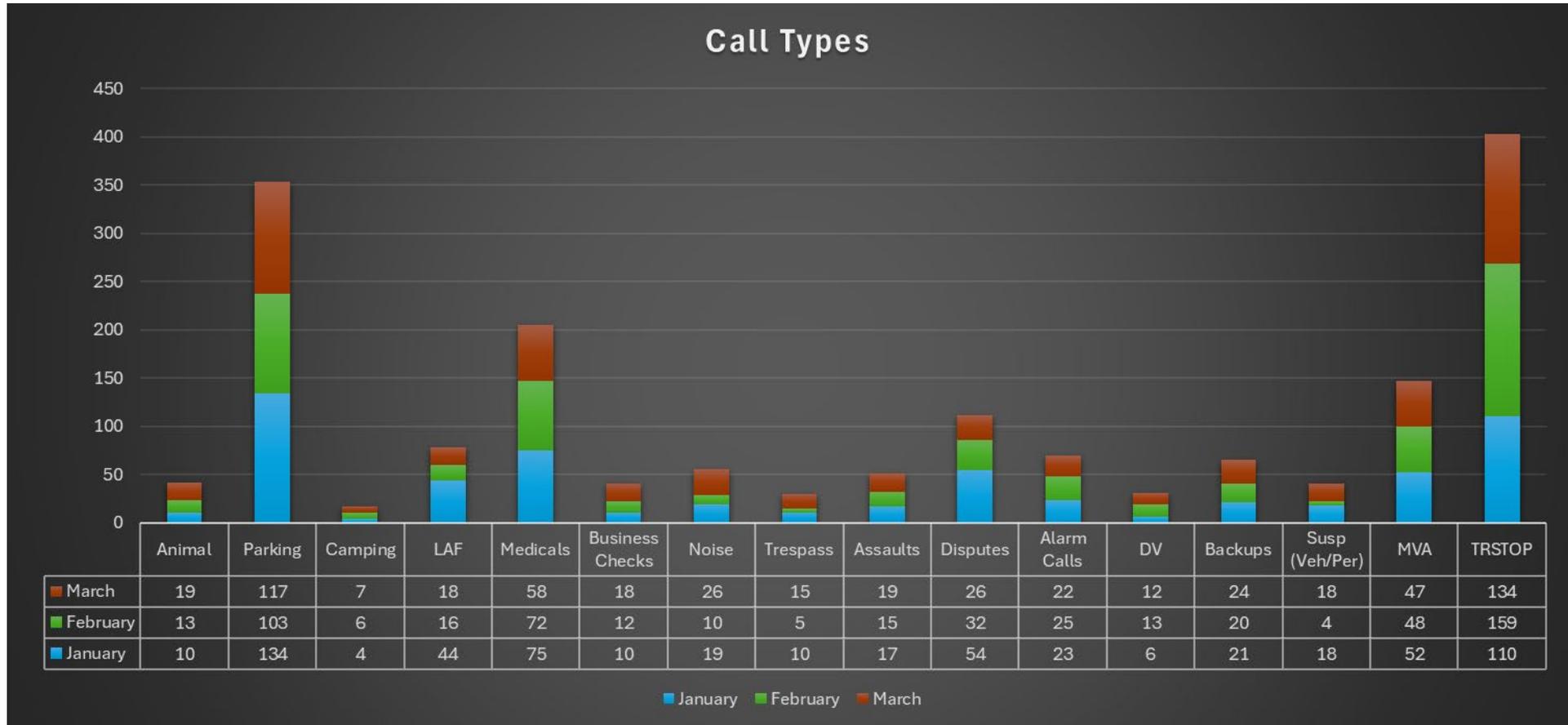
Traffic: Defective Vehicle	2
Traffic: Speed	30
Traffic: Other Moving Violation	10
Traffic: Right of Way	26
Traffic: Traffic Control Device	2
Traffic: Improper/Reckless/Careless Driving	12
Traffic: Vehicle Insurance Violation	1



# Q1 Calls for Service

Below is a chart and table of the predominant calls for service the PD initiated or responded to in Q1. The totals for many call types remained consistent with the totals for Q3 and Q4 in 2024.

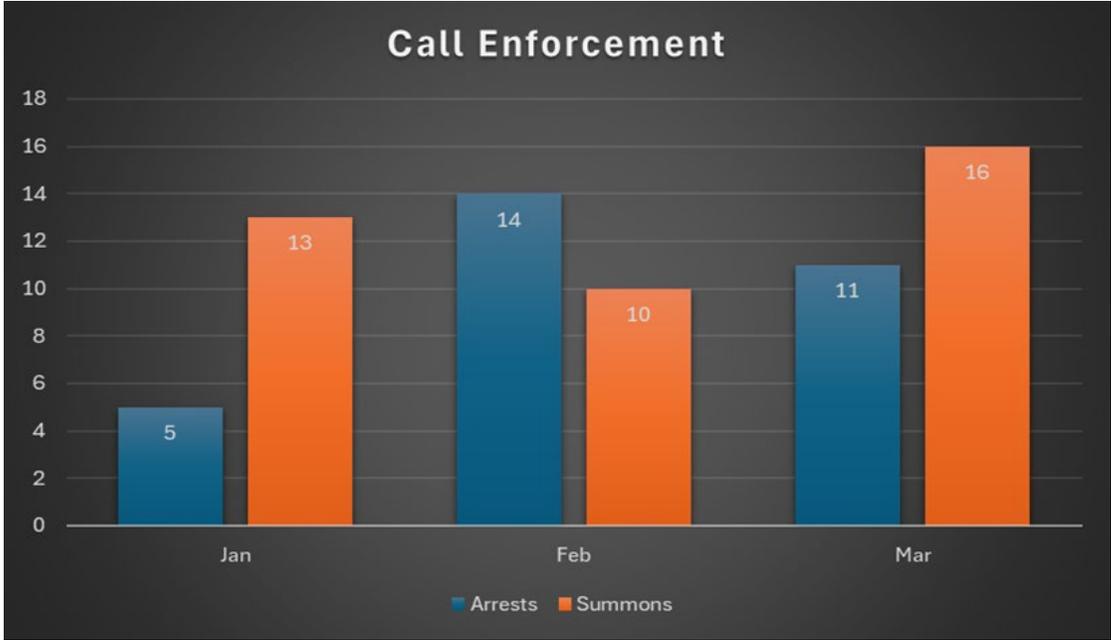
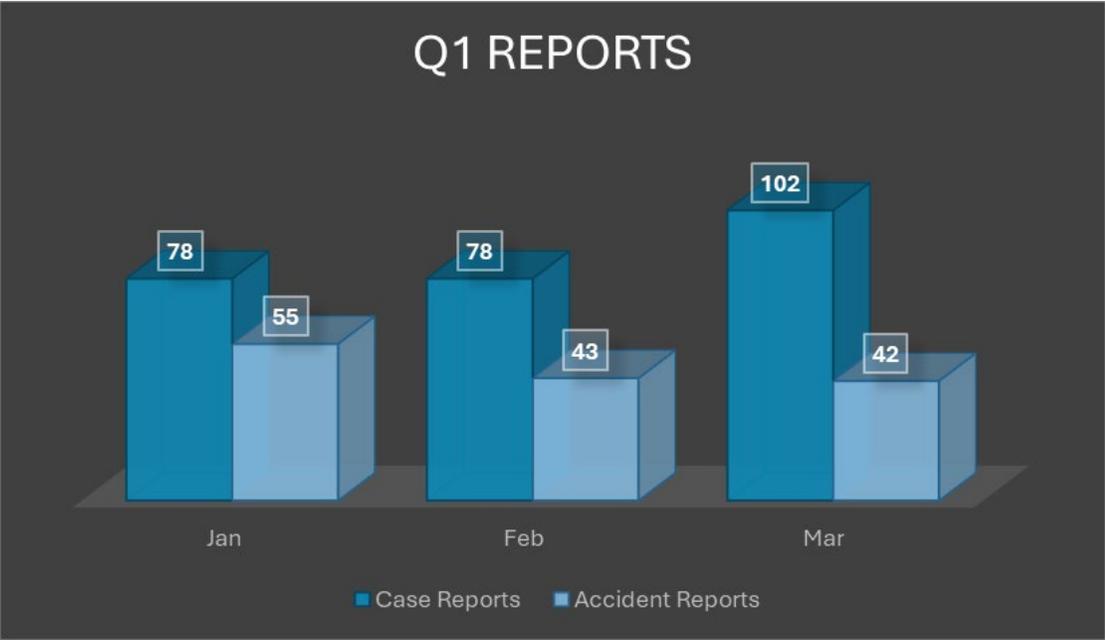
- Of note, there was an increase in parking enforcement from 339 total in Q3 and Q4 of 2024 to 354 in Q1 alone.



# Q1 Report Totals

Below are charts displaying the case/accident reports taken by officers and the arrest/summons totals for Q1.

Arrests and summons may be written into Municipal Court or County Court. As a result, the subsequent information provided by Municipal Court will not precisely align with information from the Police Department.



# Breckenridge Municipal Court Quarter 1 Closed Cases

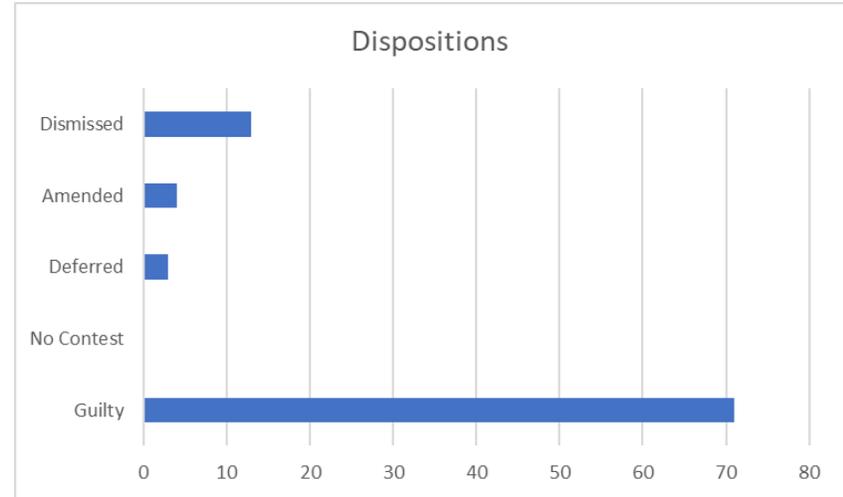


- Closed Cases: Quarter 1 saw 83 traffic citations, 1 assault citation, 3 damage to property (public or private) citations, and 2 animal citations.
- Due to a 45- to 60-day delay in when a citation is written and when it comes through court, many actions during this period were from 2024 citations.

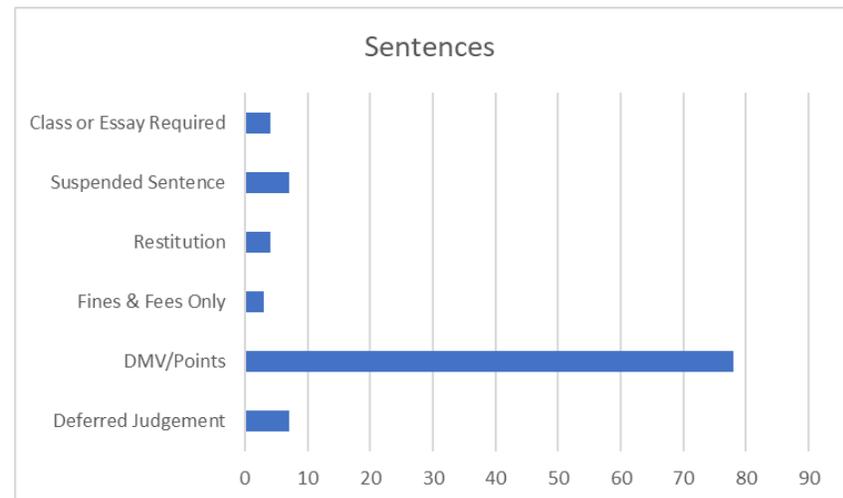
# Case Outcomes

Dispositions	Q1 2025
Guilty	71
No Contest	0
Deferred	3
Amended	4
Dismissed	13

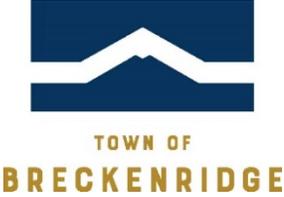
*\*"Not Guilty" pleas are recorded as "Guilty" on adjusted charge*



Sentences (Fines & Fees Included)	Q1 2025
Deferred Judgement	7
DMV/Points	78
Fines & Fees Only	3
Restitution	4
Suspended Sentence	7
Class or Essay Required	4



Jury Trials	Q1 2025
Jury Trials	0



# Memo

To: Town Council  
From: Public Works Staff  
Date: June 3, 2025 (for June 10, 2025 work session)  
Subject: Noxious Weed Management Program

---

### Town Council Goals

- |                                     |                                       |                                     |                                     |
|-------------------------------------|---------------------------------------|-------------------------------------|-------------------------------------|
| <input type="checkbox"/>            | More Boots & Bikes, Less Cars         | <input checked="" type="checkbox"/> | Leading Environmental Stewardship   |
| <input type="checkbox"/>            | Deliver a Balanced Year-Round Economy | <input type="checkbox"/>            | Hometown Feel & Authentic Character |
| <input checked="" type="checkbox"/> | Organizational Need                   |                                     |                                     |

### Summary

The Town of Breckenridge is committed to protecting its alpine heritage, pristine ecosystems, and public well-being through a regenerative, science-based approach to land care. The Town of Breckenridge has been actively managing noxious weeds on public lands, rights-of-way, parks, and open spaces for over 30 years, as mandated by the Colorado Noxious Weed Act (1990) and Town Code Chapter 5-10-1 (2007). The Town’s program utilizes best management practices (BMP’s) and integrated pest management techniques (IPM’s), often combining biological, mechanical, cultural, chemical, and educational efforts to protect the community’s natural ecosystems, public safety, and economic resources. This work is carried out by the Town of Breckenridge Public Works, Summit County Government- Weed Control Department, and certified local contractors. Public notification and education remain central elements of the Town’s approach; Public Works recognize that communication is vitally important and will continue to look at ways to improve.

### Background

Noxious weeds threaten valuable wildlife habitat and natural resources and are a nuisance for recreational activities. The Colorado Noxious Weed Act mandates Colorado residents, Counties and Communities, control noxious weeds following an integrated weed management program. Under the Colorado Noxious Weed Act, noxious weeds are defined as invasive, non-native plants that are harmful to native habitats, agriculture, public recreation, and local economies. These species are categorized into four lists (A, B, C, and the "Watch List") that guide the level of intervention required. The Town is obligated to manage these species on Town-owned properties and ensure compliance on private lands by local ordinances. The Town does not manage noxious weeds on private property or homeowner’s associations (HOA’s). The Town does visually inspect private properties based on observation or complaints of noxious weeds.

**Mission:** The Town of Breckenridge protects, maintains, and enhances our sense of community, historical heritage, and alpine environment. We provide leadership and encourage community involvement.

## **Town of Breckenridge Weed Management**

The Town of Breckenridge has recently been engaged in dialogue with the Non-Toxic Neighborhoods Organization; a national organization whose approach is to promote public education and health by building community awareness of risks associated with synthetic chemicals. In review of the shared information and recommended best management practices, staff found the Town's noxious weed program incorporates many of the BMP's and IPM's including evolving scientific information to ensure public health and safety. Examples of integrated management techniques:

- Cultural: Native plantings, proper irrigation, mulching
- Mechanical: Mowing, weed whipping, and hand pulling in parks and around Town buildings
- Biological: Beneficial insects, microbial soil amendments, and predator-prey management
- Chemical: Targeted herbicide application in Town green areas: parks and common areas, rights-of-way, and open space areas.

The Town's noxious weed program uses selective herbicides for managing noxious weeds as identified by the Colorado Noxious Weed Act. The application practices and rates are controlled for each specific noxious weed type. The use of these herbicides is effective in controlling targeted weed species. Many of the restricted practices and materials, as shared by Non-toxic Neighborhoods, are not currently used as part of the Town's noxious weed program.

To better understand the effectiveness of practices and materials recommended by Non-toxic Neighborhoods, staff will be utilizing a combination of mechanical and biological techniques in the Cucumber Gulch Preserve, where the use of herbicides is restricted. The Open Space and Trails division will be establishing small test plots to remove Reed Canary Grass (RCG). Reed Canary Grass is a perennial grass that is aggressive and out competes native perennials, especially in native wetlands. Open Space will test this area using a combination of mechanical removal and application of Nutrafix<sup>®</sup> a fertilizer rich in micronutrients that restores soil health that can be beneficial for native perennials.

The Town of Breckenridge will continue to explore organic/nontoxic options to effectively treat noxious weeds. The Parks Division is additionally looking to identify several additional "test plots/areas" to determine the effectiveness of the use of organic herbicides for weed control management. Staff will provide an update to Council at the end of the season.

### **Financial Implications**

Noxious weed control is currently under the Streets and Parks Division budget. The budget has been incrementally increased over the past decade in conjunction with expansion of the Town and public areas. Due to the size of the Town, the division relies on both in-house and outside certified contractors for annual control of noxious weeds. Future potential cost increases for noxious weed control will be included in the Town budget process.

### **Equity Lens**

The Town of Breckenridge is committed to ensuring that all residents and visitors benefit from a clean, safe, and ecologically sound environment. Equitable implementation of the noxious weed program includes:

Transparent public communication: Town website updates and social media alerts in accessible formats provide clear information to all community members. By law, contractor applicators keep accurate application records for every treatment that is performed, and those records are available to the public upon request. Also, an annual application report is provided to the Colorado Department of Agriculture and Colorado Department of Public Health and Environment. The Summit County Weed Control Department places signs at access points and lists areas on the website where the crew is spraying herbicides.

Collaboration with community groups: The Open Space program offers a variety of opportunities throughout the summer through its Friends of Breckenridge Trails volunteer program, as well as in partnership with Rocky Mountain Youth Corps, to conduct mechanical/hand weed pulls in our open spaces, including Cucumber Gulch Preserve. Additionally, Open Space has partnered with Summit County on a county-wide weed pull for many years. These events effectively remove invasive species from sensitive areas and serve as valuable educational opportunities for participants.

Responsiveness to community needs: Pesticide sensitive individuals may apply to be placed on the registry to opt out of herbicide application. Individuals must provide proof of medical justification by a physician licensed in Colorado. See below for more information.

### **Staff Recommendation**

The Town of Breckenridge will continue to balance the interest and needs of the community while also managing noxious weeds in compliance with the Colorado Noxious Weeds Act. Staff will continue to evaluate the effectiveness of organic and mechanical controls for noxious weed management.

Questions for Council:

- Does Council support the implementation of test plots to determine the effectiveness of materials and management techniques recommended by Non-Toxic Neighborhoods?
- Would Council like to see any other program considerations?

Resources:

[Colorado Noxious Weed Act](#)

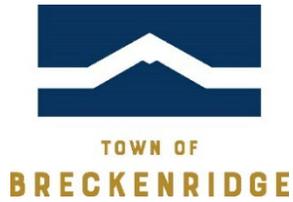
[Summit County - Noxious Weed Plan](#)

[Breckenridge Town Code 5-10-1](#)

[Home - Non-Toxic Neighborhoods](#)

Colorado Registry Pesticide Sensitive Persons

[https://colorado.public.law/statutes/crs\\_title\\_35\\_article\\_10](https://colorado.public.law/statutes/crs_title_35_article_10)



# Memo

**To:** Town Council  
**From:** Julia Puester, AICP, Assistant Town Manager  
**Date:** May 29, 2025 (for June 10, 2025 meeting)  
**Subject:** Xcel Liquid Natural Gas (LNG) Request for Site Extension (115 Gateway Drive)

---

**Town Council Goals** (Check all that apply)

- |  |  |
|--|--|
| <input type="checkbox"/> More Boots & Bikes, Less Cars         | <input type="checkbox"/> Leading Environmental Stewardship   |
| <input type="checkbox"/> Deliver a Balanced Year-Round Economy | <input type="checkbox"/> Hometown Feel & Authentic Character |
| <input checked="" type="checkbox"/> Organizational Need        |  |

**Summary**

The existing Xcel Modular Liquefied Natural Gas (“LNG”) Project at 115 Gateway Drive in Summit County was approved in October 2024 as a temporary use until September 20, 2025. Xcel has been unable to secure a permanent location and they are requesting an extension of the License Agreement for one additional year, until October 20, 2026. Staff seeks a Council decision on whether to proceed with the extension.

**Background**

The Town and County jointly purchased the 16-acre property in 2018 which had previously been the home to DNR Kennels north of Town along Highway 9. DNR Kennels has since been demolished and the site remained vacant until the temporary LNG project. The purpose of the project is to address a natural gas infrastructure/supply shortage across Summit County. This temporary site is fenced and consists of five LNG tanks, two vaporizers, two generators, one security trailer, two pumps, and one gas tank, further screened by trees to the north and east. The project allows Xcel to provide natural gas to properties throughout the County should an emergency arise such as an operational outage. When the property was selected as a temporary location for the LNG project, Xcel obtained a development permit from the County and has reapplied to the County for the extension of the permit, pending the Town’s approval as the majority property owner, County approval, and PUC approval. The Town planning division will have an opportunity to comment on the application as well.

Staff does not anticipate an additional request beyond this extension as there is a federal regulation that a temporary LNG site cannot exceed three years with a potential one year extension, if granted by the PUC. Xcel has had two years with a temporary LNG site on the McCain property, one year at this property (115 Gateway) and is requesting their one additional year. If this extension is granted by the PUC, it will max out their temporary use.

**Public outreach/engagement**

This item does not require public outreach for property owner approval. The development application will proceed through the required County planning review process.

**Financial Implications**

In 2024, the Town received \$37,500 from Xcel as payment for the License Agreement. The proposed terms would yield the same amount to the Town in 2025 if approved as proposed (attached).

**Mission:** The Town of Breckenridge protects, maintains, and enhances our sense of community, historical heritage, and alpine environment. We provide leadership and encourage community involvement.

**Equity Lens**

Potential burdens the community may face should the temporary LNG project fail to be extended until a permanent site be secured could lead to temporary loss of heat in living or work spaces. This loss of gas access could negatively impact the community's most vulnerable populations.

**Staff Recommendation**

Staff recommends the Town Council approve the Xcel Temporary Liquid Natural Gas (LNG) License Agreement Extension located at 115 Gateway Drive for one additional year, pending County development permit and PUC approval. Should the Town Council propose any term adjustments, staff would work with Xcel to make any necessary changes.



April 18, 2025

Town of Breckenridge  
PO Box 168  
Breckenridge, CO 80424-0168

Summit County Board of Commissioners  
PO Box 68  
Breckenridge, CO 80424-0068

**LICENSE AGREEMENT EXTENSION LETTER**

**Re: Xcel Exclusive Easement/Offer for LNG Site**  
115 Gateway Dr  
Breckenridge, CO 80424  
Summit County Assessor Parcel #221-0720-00-013

Dear Town of Breckenridge & Summit County Board of Commissioners,

Please recall the License Agreement for Gas Utility Facility dated October 10, 2024 granting Public Service Company of Colorado (“PSCo”) the ability to use a portion of the above referenced property for liquified natural gas related facilities through September 20, 2025. PSCo has continued to work diligently on siting a long-term LNG facility but a location has not been determined. PSCo would like to request an extension of the current license agreement to October 20, 2026 contingent upon obtaining the necessary land use permits. This will give PSCo the ability to continue to serve its customers with natural gas while we continue to establish the long-term site.

Thank you for your consideration of PSCo’s request for an extension. Please contact me should you have any questions. I can be reached via email at [mhauff@ws-ls.net](mailto:mhauff@ws-ls.net) or by phone at (970) 667-7602.

Sincerely,

A handwritten signature in black ink that reads 'Mitch Hauff'.

Mitch Hauff  
Contract Agent for Public Service Company of Colorado  
WESTERN STATES LAND SERVICES, LLC  
505 North Denver Avenue  
Loveland, Colorado 80537  
(970) 667-7602 / (719) 209-6073 (c)

Enclosures: License Agreement Amendment for Signatures

**FIRST AMENDMENT TO**  
**LICENSE FOR GAS UTILITY FACILITY**

**THIS FIRST AMENDMENT TO LICENSE FOR GAS UTILITY FACILITY** (this “**Amendment**”) is made as of \_\_\_\_\_, 2025, by and between TOWN OF BRECKENRIDGE, a Colorado municipal corporation (“**Town**”), and the BOARD OF COUNTY COMMISSIONERS OF SUMMIT COUNTY (“**County**”) (collectively, the “**Owners**”), and PUBLIC SERVICE COMPANY OF COLORADO, a Colorado corporation (“**Licensee**”). The Owners and Licensee are referred to herein each individually as a “**Party**” and collectively as the “**Parties**.”

**WITNESSETH:**

**WHEREAS**, pursuant to that certain License for Gas Utility Facility dated as of October 10, 2024, (the “**License**”), Owners have granted and Licensee has obtained (a) a non-revocable license and the exclusive permission and right to use a portion of the Licensed Premises (as defined in the License) as a temporary yard for storage of liquified natural gas (LNG) in the Licensed Facilities (as described in the License), and (b) a non-revocable license and non-exclusive permission and right to make a temporary connection to Licensee’s gas distribution system to enable the injection of LNG into the gas system, which includes the right of ingress and egress for access to the Licensed Facilities on the Property (as defined in the License); and

**WHEREAS**, the Term of the License expires on September 20, 2025 (the “**License Termination Date**”); and

**WHEREAS**, the Owners and Licensee desire to extend the Term of the License and amend certain other terms and conditions of the License in this Amendment contingent upon the issuance of the necessary land use permit for Licensee’s use.

**NOW THEREFORE**, in consideration of the mutual covenants contained herein, and other good and valuable consideration, the receipt, adequacy and sufficiency of which are hereby acknowledged, the License is hereby amended and the parties hereto do hereby agree as follows:

1. **Incorporation of Recitals and Definitions.** The above recitals are hereby incorporated into this Amendment as if fully set forth herein. All capitalized terms used herein, but not defined, shall have the meaning ascribed in the License.

2. **Term.** the Term of the License is extended for a period commencing immediately after the License Termination Date and continuing until October 20, 2026 (the “**Extended Term**;” the Term of the License together with the Extended Term, the “**Term**”), unless terminated earlier in accordance with the License. Thereafter, the Parties may further extend the Term of the License by mutual written agreement.

3. **License Fee.** Within fifteen (15) days of the approval of the land use permit required by the County for this extended temporary use, Licensee shall pay Owners an additional non-refundable License Fee in the amount of \$50,000.00 which additional License Fee shall be

allocated between the Owners as follows: (i) \$37,500.00 to the Town and \$12,500.00 to the County.

4. **Incorporation.** This Amendment shall be incorporated into and made part of the License, and all provisions of the License not expressly modified or amended hereby—including insurance, indemnification, termination obligations and other License rights—shall remain in full force and effect. As amended hereby, the License is hereby ratified and confirmed by the Parties. To the extent the terms of this Amendment are inconsistent with the terms of the License, the terms of this Amendment shall control.

5. **Headings.** The headings used herein are provided for convenience only and are not to be considered in construing this Amendment.

6. **Counterpart Execution.** This Agreement may be executed in two or more original counterparts, each of which shall be deemed an original of this instrument.

*(Signature pages follow)*



**SUMMIT COUNTY BOARD OF COUNTY COMMISSIONERS**

By \_\_\_\_\_  
Dave Rossi, County Manager

**ATTEST:**

\_\_\_\_\_  
Deputy Clerk

**STATE OF COLORADO )**  
**) ss.**  
**COUNTY OF SUMMIT )**

The foregoing instrument was acknowledged before me this \_\_\_\_ day of \_\_\_\_\_, 2025 by Dave Rossi, County Manager.

WITNESS my hand and official seal.

My commission expires: \_\_\_\_\_

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

**LICENSEE:**

PUBLIC SERVICE COMPANY OF COLORADO,  
a Colorado corporation

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

Name: \_\_\_\_\_

Its: \_\_\_\_\_

**STATE OF COLORADO** )

) ss.

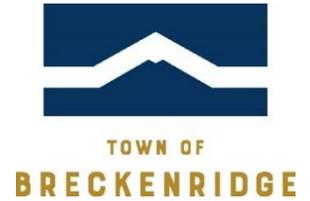
**COUNTY OF** \_\_\_\_\_)

The foregoing instrument was acknowledged before me this \_\_\_\_ day of \_\_\_\_\_,  
2025 by \_\_\_\_\_, as \_\_\_\_\_ of Public  
Service Company of Colorado.

WITNESS my hand and official seal.

My commission expires: \_\_\_\_\_

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



# Memo

**To:** Town Council

**From:** Laurie Best – Director of Housing  
 Melanie Leas – Housing Project Manager  
 Shannon Smith – Town Engineer

**Date:** 6/4/2025 (for 6/10/2025 work session)

**Subject:** Runway Housing Project Phase 1 Horizontal Infrastructure Budget

**Town Council Goals** (Check all that apply)

- |   |   |
|---|---|
| <input checked="" type="checkbox"/> More Boots & Bikes, Less Cars         | <input checked="" type="checkbox"/> Leading Environmental Stewardship   |
| <input checked="" type="checkbox"/> Deliver a Balanced Year-Round Economy | <input checked="" type="checkbox"/> Hometown Feel & Authentic Character |
| <input type="checkbox"/> Organizational Need                              |   |

**Summary**

The Development team (Developer) has collaborated closely with Town staff to prepare a detailed budget and bid documents for the horizontal infrastructure portion of Phase 1 of the Runway Neighborhood development. The Developer solicited proposals from three local contractors and received two competitive proposals. Town staff, including Town Engineer Shannon Smith, have reviewed both bids and are confident in the reasonableness of the bids and have confidence in the proposed budget of \$24M for Phase 1 horizontal infrastructure as detailed in the attached table.

**Budget Details**

Staff has reviewed the two competitive bids received by the Developer from local earthwork companies, based on the current civil drawings. The bids were within a 10% margin, indicating consistency and reliability in the pricing. Each proposal included detailed line items for all onsite infrastructure work, providing both transparency and clarity. While the developer is still refining the numbers and awaiting approval from outside agencies such as Upper Blue Sanitation District (UBSD) and Xcel Energy, the proposed infrastructure budget includes adequate contingency budget amounts for changes and unforeseen conditions as is the standard practice for Town projects. Staff is confident in the quality of both bids and would support the Developer proceeding with either contractor. We also appreciate the responsiveness and professionalism shown by both companies in producing timely and comprehensive proposals, and we look forward to continuing to support and engage the local workforce throughout this project.

Allowances & Construction Contingency

The proposed construction budget includes allowances for the construction items where pricing cannot be finalized prior to the execution of the contract (i.e. over-excavation and Xcel). Construction allowances for items like over-excavation and utilities are standard cost-savings measurements in construction contracts to eliminate the contractor’s need to over-inflate the cost of these items in order to reduce their financial risk. Any unspent funds in an allowance line will be retained by the Town and not be included in the proposed 70/30 savings split for the project.

The proposed construction contingency is utilized to cover unanticipated costs within the subcontractors’ bids. An example of an item covered in the construction contingency would be a request by an agency such as UBSD to add insulation to a sewer line that was not included in the bid documents. Prior to execution of the Stipulated Price contract, or GMP, between the Town and Developer, costs will be further refined to incorporate any changes to the final plans that

1

**Mission:** The Town of Breckenridge protects, maintains, and enhances our sense of community, historical heritage, and alpine environment. We provide leadership and encourage community involvement.

will be issued for construction. Any unspent funds in the construction contingency will be retained by the Town and not be included in the adopted 70/30 savings split for the project.

#### Additional Owner Costs - Upper Blue Sanitation District Fees (UBSD), Owner Contingency & Landscaping

UBSD fees are separate from the installation of sanitation infrastructure and are paid at the time a certificate of occupancy (CO) is issued. Given the timing of this expense, the Town will pay UBSD fees directly and no developer fee will be applied to this expense.

Landscaping is also included in this section as this portion of the horizontal development will not be completed until the project, including vertical development, is at or near completion. Town Council will have time to determine exactly the amount and variation of landscaping desired as the project moves forward. This expense, once approved to be managed by the Developer, will be subject to the approved developer fee. The proposed project budget also includes a 10% Owner's contingency to cover changes requested by the Town and unforeseen conditions that are not within the legal scope/risk of the Developer. Town capital projects typically carry a 10-25% project/Owner's contingency. Examples of items that would be applied to the Owner's contingency would be the addition of shelters to the transit stops or the discovery of buried materials/junk on the site. Staff cannot approve any contract change orders that would exceed the \$24M project spending authority without the request for a supplemental appropriation from the Town Council.

#### Cost Savings

An additional cost savings measure built into the project is the Developer performing the duties of the General Contractor. Typically, a project of this scale would involve a Developer overseeing a General Contractor (GC), who in turn manages the subcontractors performing the work. In this case, however, the Developer is proposing to manage the project directly and coordinating the subcontractors, effectively eliminating the need for a GC. This streamlined approach results in cost savings for the Town.

#### **Contract Overview**

Staff recommends the use of a standard Stipulated Price (GMP) agreement, which is part of the Engineers Joint Contract Documents Committee (EJCDC) documents regularly used by our Engineering Department to formalize the agreement between the Town (as Owner) and the Developer for this infrastructure project with a fixed, agreed-upon price. It would outline the scope of work, project timeline, guaranteed contract price, and payment terms. This document would serve as the primary legal agreement for horizontal construction binding both parties, and ensuring mutual understanding of responsibilities, expectations, and deliverables. The agreement would be structured to promote fairness and clarity, helping to minimize disputes and facilitate smooth project execution.

This contract would include the Standard General Conditions of the Construction Contract that details how the Stipulated Price agreement is administered. The contract would define the duties of the Owner (Town), Contractor (Developer), and Engineer (Town Engineer). It would establish procedures for handling changes, delays, payments, and claims while outlining the mechanisms for dispute resolution and risk management. The Stipulated Price agreement would establish the high-level terms, while the Standard General Conditions of the Construction Contract would supply the operational framework to carry it out. Together, these documents would create a comprehensive, industry-standard contract package designed to support transparent, efficient, and legally sound construction project delivery. The Town has used EJCDC contracts for numerous construction projects and staff is comfortable with this structure. A sample contract is attached to the memo for reference and Council review.

#### **Draw Processes**

Each month, the Developer would submit a construction draw (a formal request for payment based on work completed, materials delivered, and actual expenses during that period) to the Housing and Engineering departments. The draw would include a detailed breakdown of the project budget at that point in time, showing the total contract amount, expenditures to date, remaining funds in each budget category, approved change orders, and any contingency funds that have been reallocated (if necessary). Accompanying the budget summary would be all related invoices that support the payment request by category. The total of the submitted invoices must match the amount requested in the draw. Both the Engineering and Housing teams would carefully review the documentation to verify accuracy and completeness

before authorizing any payment. A draw would only include actual expenses from that time period. A sample draw form from the current Stables Village project is attached for Council review.

### **Next Steps**

Currently, architectural and preliminary mechanical/electrical plans have been taken through design development and are in construction development for bidding purposes. These preliminary design efforts provide the information necessary to secure actual pricing for the project. It is important to note that the over-excavation budget placeholder assumes the entire Phase 1 site will need over-excavation. To better understand the need for over-excavation, site-specific soils testing is currently underway on each proposed lot to determine whether any over-excavation will be required. The results of this soils testing allow staff to refine the existing allowance for the over-excavation line. Infrastructure plans have been submitted for permitting and are under review by both Town staff and UBSD. Any necessary revisions will be incorporated into the final plan set and reflected in the GMP. The overall project cost will continue to be managed within the proposed \$24M budget.

### **Public outreach/engagement**

No changes to the initial plan.

### **Financial Implications**

The maximum cost of horizontal infrastructure at \$24M and the anticipated \$10M Town subsidy for vertical infrastructure in Phase 1, equals \$34M total and includes an anticipated, but not guaranteed \$2M from State Prop 123 funding for the first 81 units. The recent Finance Department cash flow report, which indicates the Town's financial well-being, demonstrates that the Town can absorb the expenditure of the funds necessary to produce the first phase of the project.

### **Equity Lens**

The development of Town-funded workforce housing is intended to have a positive impact on our community. As staff continue to work through the details of the project, we are speaking with the Breckenridge Social Equity Advisory Commission (BSEAC), as well as other community members to better understand the impact of specific decisions around deed restrictions, income testing qualifications, ADUs, sale processes, and ownership of other property. Staff will continue to evaluate this project using the Equity Lens and will bring information and questions back to Council.

### **Staff Recommendation**

Staff would like to highlight a few key elements of the Phase 1 horizontal infrastructure proposal:

- Upon Council approval of the budget amount, staff cannot approve any contract change orders that would exceed that approved project spending authority without the request for a supplemental appropriation from the Town Council.
- Draws by the Developer would only include actual expenses and would be reviewed and approved by both the Engineering and Housing teams after careful review to verify accuracy and completeness.

Town staff, including the Town Engineer, have reviewed the horizontal infrastructure project budget and related contracts. The Town Engineer believes the budget is reasonable and the charges proposed are appropriate. Overall, staff is comfortable with the budget and contracts as presented and recommends moving forward with Phase 1 horizontal infrastructure on the Runway neighborhood.

**Proposed Phase 1: Infrastructure Construction Budget**

6.4.2025

<b>Design</b>		<b>175,000</b>
Surveying, Plat Maps, Subdivision work	175,000	
<b>Construction Administration (3.5 Years: 2025-2029)</b>		<b>\$ 2,078,701</b>
Project Management	1,428,701	
Principal Salary	<i>included in dev fee</i>	
Controller / CPA / Bookkeeper	300,000	
Construction Administration - Engineering / Geotech	350,000	
<b>Construction General Conditions, Insurance &amp; Bonding (3 Years)</b>		<b>\$ 2,075,000</b>
Temp offices, temp power, sanitary facilities, etc	575,000	
Insurance for infrastructure / bonding - payment/perf bond/SWMP insurance	1,500,000	
<b>Horizontal Infrastructure: Grading, roads, utilities</b>		<b>\$ 14,529,884</b>
Mobilization	357,776	
Water Lines	1,010,063	
Sanitary Sewer	668,429	
Storm Sewer	941,917	
Earthwork	2,785,181	
Allo	50,000	
Asphalt, curb/gutters/sidewalks/rec path	2,265,000	
Site lighting, signage	100,000	
Dumpster Enclosures	140,000	
Electric - Xcel Energy	2,000,000	Allowance
Additional Earthwork due to overexcavation	2,339,555	Allowance
Construction Contingency (not included in developer fee)	1,192,500	
<b>Estimated Developer Fee: Phase 1 Infrastructure Contract (4%)</b>	<b>679,465</b>	<b>\$ 679,465</b>
<b>Additional Owner Costs to Town</b>		<b>\$ 5,135,253</b>
UBSD Fees - no developer fee	2,228,359	
Subdivision Landscaping	1,641,102	Allowance
Owner Contingency (10% of construction costs) - no developer fee	1,265,792	
<b>TOTAL PROPOSED BUDGET</b>	<b>23,993,839</b>	<b>\$ 23,993,839</b>

# Stables Village Infrastructure 1

Including Roads, Grading, Drainage, Wet & Dry Utilities

DRAW #6

9/11/2023

		Budget	% of Budget	Previous	Current	Remaining Budget Available	% Completed	Over Budget
<b>HORIZONTAL INFRASTRUCTURE:</b>								
1	Civil Engineering/Site Land Planning/Landscape Architecture/Builder Consultation/Etc	850,000.00	100%	850,000.00		0.00	100%	
1	Community dumpster structure	25,000.00	0%			25,000.00	0%	
1	Insurance for Infrastructure	175,000.00	100%	175,000.00		0.00	100%	
1	Supervision/Onsite oversight/construction administration	368,000.00	82%	271,637.20	28,870.57	67,492.23	82%	
1	Columbine Concrete Total, includes concrete walks, asphalt, concrete pans, asphalt bike path	195,353.00	0%			195,353.00	0%	
1	Stan Miller Misc.	113,622.00	30%	38,596.93	-4,571.94	79,597.01	30%	
1	Stan Miller Earthwork	1,552,128.50	51%	631,786.10	158,610.00	761,732.40	51%	
1	Stan Miller Water	447,528.34	54%	222,970.73	18,589.04	205,968.57	54%	
1	Stan Miller Sanitary Sewer	547,409.77	27%	111,512.40	34,128.30	401,769.07	27%	
1	Stan Miller Storm Sewer	326,712.00	21%	39,291.00	30,224.00	257,197.00	21%	
1	Allo in ground (ALLOWANCE)	50,000.00	0%			50,000.00	0%	
1	Mobilization, Site Setup/trailer office rental/ outfitting	225,000.00	100%	213,676.30	11,323.70	0.00	100%	
1	Bookkeeping, Legal, CPA	35,000.00	100%	32,725.06	2,274.94	0.00	100%	
1	geotechnical engineering on site during earthwork	35,000.00	17%	6,060.00		28,940.00	17%	
1	surveying	35,000.00	47%	11,621.25	4,877.50	18,501.25	47%	
1	Contingency	213,207.35	77%	86,585.22	78,433.86	48,188.27	77%	
	<b>SUBTOTAL</b>	<b>5,193,960.96</b>	<b>58.80%</b>	<b>2,691,462.19</b>	<b>362,759.97</b>	<b>2,139,738.80</b>	<b>59%</b>	<b>0.00</b>
<b>CHANGE ORDERS:</b>								
	Strategic Fence & Wall			15,555.78				
	Stan Miller				71,029.44			
	Xcel Energy				120,000.00			
	<b>CHANGE ORDER SUBTOTAL</b>			<b>15,555.78</b>	<b>191,029.44</b>			
	<b>DRAW TOTAL</b>			<b>2,707,017.97</b>	<b>553,789.41</b>			

This document has important legal consequences; consultation with an attorney is encouraged with respect to its use or modification. This document should be adapted to the particular circumstances of the contemplated Project and the controlling Laws and Regulations.

## AGREEMENT BETWEEN OWNER AND CONTRACTOR FOR CONSTRUCTION CONTRACT (STIPULATED PRICE)

Prepared By



Endorsed By



Copyright© 2018

National Society of Professional Engineers  
1420 King Street, Alexandria, VA 22314-2794  
(703) 684-2882  
[www.nspe.org](http://www.nspe.org)

American Council of Engineering Companies  
1015 15th Street N.W., Washington, DC 20005  
(202) 347-7474  
[www.acec.org](http://www.acec.org)

American Society of Civil Engineers  
1801 Alexander Bell Drive, Reston, VA 20191-4400  
(800) 548-2723  
[www.asce.org](http://www.asce.org)

The copyright for this EJCDC document is owned jointly by the three sponsoring organizations listed above. The National Society of Professional Engineers is the Copyright Administrator for the EJCDC documents; please direct all inquiries regarding EJCDC copyrights to NSPE.

NOTE: EJCDC publications may be purchased at [www.ejcdc.org](http://www.ejcdc.org), or from any of the sponsoring organizations above.

# **GUIDELINES FOR USE OF EJCDC® C-520, AGREEMENT BETWEEN OWNER AND CONTRACTOR FOR CONSTRUCTION CONTRACT (STIPULATED PRICE)**

## **1.0 PURPOSE AND INTENDED USE OF THE DOCUMENT**

This Agreement form is specifically intended for stipulated price (fixed price) contracts—that is, contracts in which Owner and Contractor identify specific lump sums and unit prices as Contractor’s compensation for performing the Work. For construction contracts in which the Contract Price is primarily based on costs incurred during construction, users should select EJCDC® C-525, Agreement between Owner and Contractor for Construction Contract (Cost-Plus-Fee) (2018).

In construction contracting, as a general matter the “agreement” is the legal instrument executed (signed) by the project owner and the construction contractor, binding the parties to the terms of the contract. See CSI Project Delivery Practice Guide (2011), Section 11.1.2, p. 210, and CSI Construction Specification Practice Guide (2011), Section 5.1, p. 75. This EJCDC Agreement form serves that basic function, by identifying the parties and the Contract Documents, and establishing the Contract Price and Contract Times.

This Agreement form is drafted to be flexible enough to be used on projects that are competitively bid, and for public and private contracts that are negotiated or awarded through a proposal process or otherwise. On competitively bid projects, the following documentary information would typically be made available to bidders:

- Bidding Requirements, which include the Advertisement or invitation to bid, the Instructions to Bidders, and the Bid Form that is suggested or prescribed, all of which provide information and guidance for all Bidders, and Bid Form supplements (if any) such as Bid Bond and Qualifications Statement.
- Contract Documents, which include the Agreement, performance and payment bonds, the General Conditions, the Supplementary Conditions, the Drawings, and the Specifications.
- Documents referred to in the Supplementary Conditions or elsewhere as being of interest to bidders for reference purposes, but which are not Contract Documents.

Together, the Bidding Requirements and the Contract Documents are referred to as the Bidding Documents. (The terms “Bidding Documents,” “Bidding Requirements,” and “Contract Documents” are defined in Article 1 of the General Conditions.) The Bidding Requirements are not Contract Documents because much of their substance pertains to the relationships prior to the award of the Contract and has little effect or impact thereafter. Many contracts are awarded without even going through a bidding process, and thus have no Bidding Requirements, illustrating that the bidding items are typically superfluous to the formation of a binding and comprehensive construction contract. In some cases, however, a bid or proposal will contain numerous line items and their prices; in such case the actual bid or proposal document may be attached as an exhibit to the Agreement to avoid extensive rekeying.

## **2.0 OTHER DOCUMENTS**

As noted above, before selecting C-520 for a specific project, confirm that the Contract will be based on lump sum (stipulated price) (which may include unit prices), and not on cost plus fee—for cost plus fee contracts, use C-525.

EJCDC documents are intended to be used as a system and changes in one EJCDC document may require a corresponding change in other documents. Other EJCDC documents may also serve as a reference to provide insight or guidance for the preparation of this document.

While preparing this document for use on a specific project, the user may decide to revise or supplement some of the standard provisions. When such changes are made, the user should review whether corresponding changes are needed in the following related EJCDC documents:

EJCDC Doc. No.	Document Title	Edition
C-200	Instructions to Bidders for Construction Contract	2018
C-410	Bid Form for Construction Contract	2018
C-700	Standard General Conditions of the Construction Contract	2018
C-800	Supplementary Conditions of the Construction Contract	2018

Other documents that provide additional information or guidance for the use of this document include the following:

EJCDC Doc. No.	Document Title	Edition
C-001	Commentary on the 2018 EJCDC Construction Documents	2018

### 3.0 ORGANIZATION OF INFORMATION

All parties involved in a construction project benefit significantly from a standardized approach in the location of subject matter throughout the documents. Experience confirms the danger of addressing the same subject matter in more than one location; doing so frequently leads to confusion and unanticipated legal consequences. Careful attention should be given to the guidance provided in EJCDC® N-122/AIA® A521, Uniform Location of Subject Matter (2012 Edition) when preparing documents. EJCDC® N-122/AIA® A521 is available at no charge from the EJCDC website, [www.ejcdc.org](http://www.ejcdc.org), and from the websites of EJCDC’s sponsoring organizations.

If CSI MasterFormat™ is used for organizing the Project Manual, consult CSI MasterFormat™ for the appropriate document number (e.g., under 00 11 00, Advertisements and Invitations), and accordingly number the document and its pages.

### 4.0 GUIDANCE NOTES AND NOTES TO USER

EJCDC Documents include Guidance Notes and Notes to User to provide guidance regarding the preparation of Project specific documents. These notes are intended for use by the User in the preparation of the document and are not intended to be included in the completed document. Guidance Notes and Notes to User are lightly shaded to distinguish them from the proposed text of the Agreement. As a project-specific Agreement is prepared and made ready for issuance to bidders or execution by the parties, all shaded text (Guidance Notes and Notes to Users) should be deleted.

Guidance Notes provide information regarding the paragraphs which follow, including reasons for the paragraphs, discussions of best practices, and alternate approaches for different situations.

Notes to User provide specific information for editing the document. When alternate paragraphs for different situation are presented, explanations on how to select the most appropriate alternate will be provided, with direction to delete those paragraphs not used.

## 5.0 EDITING THIS DOCUMENT

5.1 It is intended that this document be edited for each Contract. Guidelines for editing include:

- A. Remove the cover pages which consist of the title pages and these Guidelines for Use.
- B. Type in required information as indicated by brackets ([ ]). Bracketed text will usually provide instructions for what is to be inserted in place of the brackets. Delete brackets and change formatting to match existing text after project specific text has been added, e.g. change “[Project Name]” to “Peach Street Renovation” (without brackets or bold, or quotation marks).
- C. Fill in blanks, if any. It will be more common for information to be inserted by user to be indicated by a prompt in brackets, as described in Paragraph B above, rather than by an underline-style blank.
- D. Most Notes to User are presented before the text to which they apply; some Notes to Users are interspersed in the text, usually within brackets. Delete all “Notes to User” after reviewing each note and taking appropriate action. Delete all associated numbering and brackets.
- E. Complete tables.
- F. Delete Guidance Notes.

## 6.0 LICENSE AGREEMENT

This document is subject to the terms and conditions of the **License Agreement, 2018 EJCDC® Construction Series Documents**. A copy of the License Agreement was furnished at the time of purchase of this document, and is available for review at [www.ejcdc.org](http://www.ejcdc.org) and the websites of EJCDC’s sponsoring organizations.

# AGREEMENT BETWEEN OWNER AND CONTRACTOR FOR CONSTRUCTION CONTRACT (STIPULATED PRICE)

This Agreement is by and between **[name of contracting entity]** (“Owner”) and **[name of contracting entity]** (“Contractor”).

Terms used in this Agreement have the meanings stated in the General Conditions and the Supplementary Conditions.

Owner and Contractor hereby agree as follows:

## ARTICLE 1—WORK

1.01 Contractor shall complete all Work as specified or indicated in the Contract Documents. The Work is generally described as follows: **[Brief description of Work]**

## ARTICLE 2—THE PROJECT

2.01 The Project, of which the Work under the Contract Documents is a part, is generally described as follows: **[Brief description of Project]**

## ARTICLE 3—ENGINEER

**Guidance Notes**—If an entity or individual other than the design engineer will serve as Owner’s representative during construction, then make appropriate revisions and additions to this Agreement, the General Conditions, the Supplementary Conditions, and other Contract Documents regarding the construction-phase roles and duties of the design engineer and such other entity or individual. Such revisions may include using a designation other than “Engineer” for the representative named in Paragraph 3.01 below, and expressly naming the design firm (for example, “ABC Engineering, Inc.”) instead of referring to “Engineer” in Paragraph 3.02.

3.01 The Owner has retained **[insert name of engineering firm]** (“Engineer”) to act as Owner’s representative, assume all duties and responsibilities of Engineer, and have the rights and authority assigned to Engineer in the Contract.

3.02 The part of the Project that pertains to the Work has been designed by **[insert “Engineer” if an entity has been identified as such in Paragraph 3.01, and that same entity prepared the design; or indicate by name the entity other than Engineer that prepared the design]**.

## ARTICLE 4—CONTRACT TIMES

4.01 *Time is of the Essence*

A. All time limits for Milestones, if any, Substantial Completion, and completion and readiness for final payment as stated in the Contract Documents are of the essence of the Contract.

### Notes to User

Select one of the two Contract Times paragraphs (either Paragraph 4.02 or Paragraph 4.03), and delete the other. The first option, Paragraph 4.02, uses dates for the time of completion; Paragraph 4.03 uses

number of days. (References in these Notes will be to paragraph numbers as published—the final numbering will change as paragraphs, such as either 4.02 or 4.03, are deleted during the finalization process.)

1. Paragraph 4.04, which establishes binding intermediate Milestones, may be used with either Paragraph 4.02 or Paragraph 4.03; or Paragraph 4.04 may be deleted if the Contract does not impose Milestone requirements.
2. In the common case in which Owner elects to predetermine fixed dates or a fixed number of days for completion of the Work, such dates or number of days should be inserted in the selected Contract Times paragraph (either Paragraph 4.02 or Paragraph 4.03) below prior to the bidding or other contractor selection process. If the time for completion will be determined through negotiation or a bidding process that allows bidders to specify the time for completion (for example, a price-plus-time—A + B—award process), then leave the blanks below open until the Contract is finalized (typically after the Successful Bidder has been determined and its proposed completion time accepted).
3. If the Work is divided into individual sections that have differing completion dates (or number of days for completion), then the selected Contract Times paragraph (either Paragraph 4.02 or Paragraph 4.03) below should be expanded to specify the completion dates (or number of days) for each section. Such completion dates may be categorized as Milestones under Paragraph 4.04.

#### 4.02 *Contract Times: Dates*

- A. The Work will be substantially complete on or before **[date]**, and completed and ready for final payment in accordance with Paragraph 15.06 of the General Conditions on or before **[date]**.

#### 4.03 *Contract Times: Days*

- A. The Work will be substantially complete within **[number]** days after the date when the Contract Times commence to run as provided in Paragraph 4.01 of the General Conditions, and completed and ready for final payment in accordance with Paragraph 15.06 of the General Conditions within **[number]** days after the date when the Contract Times commence to run.

#### **Notes to User**

1. “Milestone” in Paragraph 4.04 is a defined term.
2. For each Milestone, indicate the event that must be attained, such as “Substantial Completion of Lift Station 1” and the date or number of days from commencement by which the event must be attained.
3. In Paragraph 4.04 use a specific date for attainment of the Milestone if Paragraph 4.02 above (Contract Times: Date) has been selected; use the number of days from commencement of Contract Times for the Milestone if Paragraph 4.03 (Contract Times: Days) has been selected.
4. If the Contract does not include Milestones, delete Paragraph 4.04.

#### 4.04 *Milestones*

- A. Parts of the Work must be substantially completed on or before the following Milestone(s):
  1. Milestone 1 **[event & date/days]**

2. Milestone 2 [event & date/days]
3. Milestone 3 [event & date/days]

#### Guidance Notes—Liquidated Damages

1. Liquidated damages are commonly used to address unexcused late completion of the Work. The topic is discussed in the Commentary. Delete Paragraph 4.05, Liquidated Damages, if such damages will not be established in the specific Contract.
2. At Substantial Completion, the Owner is able to use the Work for its intended purpose, by definition. See General Conditions, Paragraph 1.01.A. Achieving Substantial Completion is typically a critical deadline, and the associated damages for missing this deadline are typically significant. Paragraph 4.05.A.1 is the location for stating a liquidated amount for such damages, usually on a per-day basis.
3. The subsequent failure to complete the punch list tasks and bring the Work to a complete close by the final completion date may also result in some degree of damages to Owner—though typically these damages are significantly less than the daily damages for not achieving Substantial Completion on time. Some users may choose to establish liquidated damages only for the failure to achieve Substantial Completion. If that is the case, delete Paragraph 4.05.A.2 below.
4. If failure to achieve a Milestone on time is of such consequence that the assessment of liquidated damages is warranted for the failure to reach the Milestone on time, then retain and complete Paragraph 4.05.A.3; if not, delete it. Add additional similar paragraphs for any additional Milestones subject to a liquidated damages assessment. Liquidated damages for Milestones might, in some cases, be additive to liquidated damages for failing to timely attain Substantial Completion; if so Paragraphs 4.05.A.3 and 4.05.A.4 should be revised accordingly.

#### 4.05 *Liquidated Damages*

- A. Contractor and Owner recognize that time is of the essence as stated in Paragraph 4.01 above and that Owner will suffer financial and other losses if the Work is not completed and Milestones not achieved within the Contract Times, as duly modified. The parties also recognize the delays, expense, and difficulties involved in proving, in a legal or arbitration proceeding, the actual loss suffered by Owner if the Work is not completed on time. Accordingly, instead of requiring any such proof, Owner and Contractor agree that as liquidated damages for delay (but not as a penalty):
  1. *Substantial Completion*: Contractor shall pay Owner \$[number] for each day that expires after the time (as duly adjusted pursuant to the Contract) specified above for Substantial Completion, until the Work is substantially complete.
  2. *Completion of Remaining Work*: After Substantial Completion, if Contractor shall neglect, refuse, or fail to complete the remaining Work within the Contract Times (as duly adjusted pursuant to the Contract) for completion and readiness for final payment, Contractor shall pay Owner \$[number] for each day that expires after such time until the Work is completed and ready for final payment.
  3. *Milestones*: Contractor shall pay Owner \$[number] for each day that expires after the time (as duly adjusted pursuant to the Contract) specified above for achievement of Milestone 1, until Milestone 1 is achieved, or until the time specified for Substantial

Completion is reached, at which time the rate indicated in Paragraph 4.05.A.1 will apply, rather than the Milestone rate.

4. Liquidated damages for failing to timely attain Milestones, Substantial Completion, and final completion are not additive, and will not be imposed concurrently.
- B. If Owner recovers liquidated damages for a delay in completion by Contractor, then such liquidated damages are Owner's sole and exclusive remedy for such delay, and Owner is precluded from recovering any other damages, whether actual, direct, excess, or consequential, for such delay, except for special damages (if any) specified in this Agreement.

**Notes to Users**—If early completion would be a benefit to Owner, then consider retaining and completing the bonus clause below as Paragraph 4.05.C. The daily bonus for early completion need not be exactly the same as the daily post-Substantial Completion liquidated damages amounts, but presumably the two amounts will be reasonably compatible. If no bonus will be offered, then delete 4.05.C.

- C. *Bonus:* Contractor and Owner further recognize the Owner will realize financial and other benefits if the Work is completed prior to the time specified for Substantial Completion. Accordingly, Owner and Contractor agree that as a bonus for early completion, Owner shall pay Contractor \$[number] for each day prior to the time specified above for Substantial Completion (as duly adjusted pursuant to the Contract) that the Work is substantially complete. The maximum value of the bonus will be limited to \$[number].

#### **Guidance Notes—Special Damages**

If liquidated damages are used to address late completion by Contractor, EJCDC recommends developing daily liquidated damages amounts that comprehensively account for the full range of Owner's damages, including but not limited to loss of beneficial use; extended financing expenses; costs of additional engineering, construction observation, inspection, and administrative services; and potential fines or penalties. This comprehensive approach is well established and generally enforceable. If the recommended and conventional path is followed, and a comprehensive daily liquidated damages amount has been established in Paragraph 4.05 above, then delete the clause that follows, Paragraph 4.06, Special Damages, and rely solely on Paragraph 4.05, Liquidated Damages, to cover the full scope of damage done by late Contractor completion.

1. Some Owners prefer to charge a Contractor that has not completed the Work on schedule for Owner's additional hard-dollar costs in specified categories, such as regulatory fines and penalties, or extended engineering, construction observation, inspection, and administrative services; these charges (referred to here as "special damages") are levied on top of the daily liquidated damages amount. Those users that choose the "liquidated damages plus specified actual hard dollar costs" (special damages) approach may use the following Paragraph 4.06, Special Damages, revised as needed to reflect the intended scope of the special damages, together with the liquidated damages provisions in Paragraph 4.05, Liquidated Damages, above. It is very important if this approach is followed to be certain that the liquidated damages amount does not already include or rely in part on the potential for incurring these very same special damages costs.
2. Finally, note that Paragraph 4.06.B below does not refer to fines or penalties imposed by third parties. In the typical case, such fines and penalties are linked to Substantial Completion, and are not applicable to delays in final completion of the Work.

#### 4.06 *Special Damages*

- A. Contractor shall reimburse Owner (1) for any fines or penalties imposed on Owner as a direct result of the Contractor's failure to attain Substantial Completion according to the Contract Times, and (2) for the actual costs reasonably incurred by Owner for engineering, construction observation, inspection, and administrative services needed after the time specified in Paragraph 4.02 for Substantial Completion (as duly adjusted pursuant to the Contract), until the Work is substantially complete.
- B. After Contractor achieves Substantial Completion, if Contractor shall neglect, refuse, or fail to complete the remaining Work within the Contract Times, Contractor shall reimburse Owner for the actual costs reasonably incurred by Owner for engineering, construction observation, inspection, and administrative services needed after the time specified in Paragraph 4.02 for Work to be completed and ready for final payment (as duly adjusted pursuant to the Contract), until the Work is completed and ready for final payment.
- C. The special damages imposed in this paragraph are supplemental to any liquidated damages for delayed completion established in this Agreement.

### ARTICLE 5—CONTRACT PRICE

#### Guidance Notes—Contract Price

1. Depending upon the particular Contract's pricing structure, use Paragraph 5.01.A alone (lump sum with no Unit Price Work items); Paragraphs 5.01.A, 5.01.B, and 5.01.C together (lump sum plus Unit Price items); Paragraph 5.01.B alone (Unit Prices for all Work); or Paragraph 5.01.D alone (price based on contents of incorporated Contractor's Bid), and delete those not used and renumber accordingly. If Paragraph 5.01.D is used, Contractor's Bid is attached as an exhibit and listed as a Contract Document in Article 7 below.
2. With respect to Paragraph 5.01.B concerning Unit Prices, if adjustment prices for variations from stipulated Base Bid or other baseline quantities have been agreed to, insert appropriate provisions.
3. Performance Requirements and Damages. In some cases, the construction contract will contain performance requirements that must be met by the equipment, systems, or facilities constructed or furnished by Contractor. Performance provisions most commonly will be located in the Specifications. On some projects the Owner and Contractor may contractually stipulate specific damages for failure to meet the performance requirements. It may be useful to provide a cross-reference to such provisions here in Article 5 of the Agreement (as a new Paragraph 5.02), or in some cases to expressly state the stipulated damages amounts here because of their importance to the pricing of the Contract, which is one of the primary subjects of the Agreement.

In addition to, or as an alternative to imposition of stipulated damages to compensate Owner for not receiving its full contractual performance entitlement, the performance provisions in the Specifications may identify other Owner remedies for Contractor's failure to meet the performance requirements, such as rejection of the items in question; correction remedies; exercise of warranty rights; recovery of actual damages; and acceptance of the underperforming items coupled with a reduction in Contract Price.

Typical damages for underperformance might be for reduced production or treatment, or for the costs of increased electricity or chemical consumption over the life of the equipment. It is important when drafting damages provisions to clarify whether the availability of underperformance damages is

meant to close off other potential remedies that will be owed in the event of specific levels of underperformance.

5.01 Owner shall pay Contractor for completion of the Work in accordance with the Contract Documents, the amounts that follow, subject to adjustment under the Contract:

A. For all Work other than Unit Price Work, a lump sum of \$[number].

All specific cash allowances are included in the above price in accordance with Paragraph 13.02 of the General Conditions.

B. For all Unit Price Work, an amount equal to the sum of the extended prices (established for each separately identified item of Unit Price Work by multiplying the unit price times the actual quantity of that item).

Unit Price Work					
Item No.	Description	Unit	Estimated Quantity	Unit Price	Extended Price
				\$	\$
				\$	\$
				\$	\$
				\$	\$
				\$	\$
Total of all Extended Prices for Unit Price Work (subject to final adjustment based on actual quantities)					\$

The extended prices for Unit Price Work set forth as of the Effective Date of the Contract are based on estimated quantities. As provided in Paragraph 13.03 of the General Conditions, estimated quantities are not guaranteed, and determinations of actual quantities and classifications are to be made by Engineer.

C. Total of Lump Sum Amount and Unit Price Work (subject to final Unit Price adjustment) \$[number].

D. For all Work, at the prices stated in Contractor's Bid, attached hereto as an exhibit.

## ARTICLE 6—PAYMENT PROCEDURES

6.01 *Submittal and Processing of Payments*

A. Contractor shall submit Applications for Payment in accordance with Article 15 of the General Conditions. Applications for Payment will be processed by Engineer as provided in the General Conditions.

6.02 *Progress Payments; Retainage*

A. Owner shall make progress payments on the basis of Contractor's Applications for Payment on or about the [ordinal number, such as 5th] day of each month during performance of the Work as provided in Paragraph 6.02.A.1 below, provided that such Applications for Payment have been submitted in a timely manner and otherwise meet the requirements of the

Contract. All such payments will be measured by the Schedule of Values established as provided in the General Conditions (and in the case of Unit Price Work based on the number of units completed) or, in the event there is no Schedule of Values, as provided elsewhere in the Contract.

#### Guidance Notes—Retainage

1. In Paragraph 6.02.A.1.a, the percentage stated should be that percentage to be paid to Contractor. Thus, if retainage is 10%, indicate “90” in Paragraph 6.02.A.1.a.
2. Paragraph 6.02.A.1.a(1) provides that after the Work is 50% complete (based on value of Work completed), Owner will no longer take retainage from progress payments, if performance of the Work has been satisfactory. This practice rewards and incentivizes good work and compliance with the schedule. If Owner is not able or willing to offer this incentive, delete Paragraph 6.02.A.1.a(1).
3. Although Paragraph 6.02.A.1.a(1), if utilized, provides for retainage to be reduced after 50% of the Work is complete, the standard provisions in Paragraph 6.02 do not provide for an early return of retainage—Contractor’s first opportunity to receive retained funds occurs at Substantial Completion (see Paragraph 6.02.B). If a specific project involves partial utilization of a portion of the Work or other special factors, the user may wish to include a supplemental provision that allows for a partial early return of retainage, under specified conditions.
4. As an alternative to retainage, some Owners allow the Contractor to receive 100% of each progress payment, provided that the Contractor has provided an irrevocable letter of credit or similar instrument that allows the Owner access to the Contractor’s funds under prescribed conditions. Any such alternative mechanism requires custom drafting and participation of legal counsel.

1. Prior to Substantial Completion, progress payments will be made in an amount equal to the percentage indicated below but, in each case, less the aggregate of payments previously made and less such amounts as Owner may withhold, including but not limited to liquidated damages, in accordance with the Contract.
  - a. **[number]** percent of the value of the Work completed (with the balance being retainage).
    - 1) If 50 percent or more of the Work has been completed, as determined by Engineer, and if the character and progress of the Work have been satisfactory to Owner and Engineer, then as long as the character and progress of the Work remain satisfactory to Owner and Engineer, there will be no additional retainage; and
  - b. **[number]** percent of cost of materials and equipment not incorporated in the Work (with the balance being retainage).

**Notes to Users**—Typical values used in Paragraph 6.02.B are 100 percent and 200 percent respectively, subject to Laws and Regulations specific to the Project.

- B. Upon Substantial Completion, Owner shall pay an amount sufficient to increase total payments to Contractor to **[number]** percent of the Work completed, less such amounts set off by Owner pursuant to Paragraph 15.01.E of the General Conditions, and less **[number]**

percent of Engineer's estimate of the value of Work to be completed or corrected as shown on the punch list of items to be completed or corrected prior to final payment.

6.03 *Final Payment*

A. Upon final completion and acceptance of the Work, Owner shall pay the remainder of the Contract Price in accordance with Paragraph 15.06 of the General Conditions.

6.04 *Consent of Surety*

A. Owner will not make final payment, or return or release retainage at Substantial Completion or any other time, unless Contractor submits written consent of the surety to such payment, return, or release.

6.05 *Interest*

A. All amounts not paid when due will bear interest at the rate of [number] percent per annum.

**ARTICLE 7—CONTRACT DOCUMENTS**

7.01 *Contents*

A. The Contract Documents consist of all of the following:

**Notes to Users**—If any of the items listed below are not to be included as Contract Documents, remove such item from the list and renumber the remaining items.

1. This Agreement.
2. Bonds:
  - a. Performance bond (together with power of attorney).
  - b. Payment bond (together with power of attorney).
3. General Conditions.
4. Supplementary Conditions.
5. Specifications as listed in the table of contents of the project manual (copy of list attached).

**Notes to Users**—Use either Paragraph 6 or 7, delete the paragraph not used.

6. Drawings (not attached but incorporated by reference) consisting of [number] sheets with each sheet bearing the following general title: [title on Drawings].
7. Drawings listed on the attached sheet index.

**Notes to Users**—In the following paragraph list the numbers and dates of those Addenda that modified the Contract Documents; do not list Addenda that only affected the Bidding Requirements, and therefore should not be Contract Documents. See EJCDC® C-001 Commentary on the 2018 EJCDC Construction Documents (2018).

8. Addenda (numbers [number] to [number], inclusive).

### Guidance Notes—Exhibits that are Contract Documents

1. In the following paragraph list exhibits (if any) to the Agreement that merit the status of Contract Documents.
2. As noted in the introduction to this Agreement, in the typical case bidding-related documents such as the Instructions to Bidders and Bid are not included as Contract Documents. Include Contractor's Bid as a Contract Document here only as a matter of necessity, for example if the Bid contains numerous line items and their prices, and rekeying such information would be burdensome and susceptible to error.
3. List other required attachments (if any), such as documentation submitted by Contractor prior to Notice of Award and documents required by funding or lending agencies.
4. If Contractor is required in this Contract to accept assignment of a procurement contract, previously entered into by Owner (as "Buyer") with a manufacturer or distributor (as "Seller") for the direct purchase of goods (most commonly equipment) and related special services, include the procurement contract as a Contract Document by listing it as a lettered item under Paragraph 7.01.A.9—"Assigned Procurement Contract between Owner (Buyer) and Seller, dated [date]." The contractual wording governing the assignment of a procurement contract should be located in the Supplementary Conditions; see Supplementary Conditions, Paragraph SC-18.08.B. For additional information on assigning a procurement contract, refer to EJCDC® P-001, Commentary on the EJCDC Procurement Documents.
5. If a Geotechnical Baseline Report or a Geotechnical Data Report is used, include these reports as Contract Documents by listing them as lettered items under Paragraph 7.01.A.9. For a further discussion of GBRs and GDRs see EJCDC® C-001, Commentary on the 2018 EJCDC Construction Documents (2018).
  9. Exhibits to this Agreement (enumerated as follows):
    - a. **[list exhibits]**
  10. The following which may be delivered or issued on or after the Effective Date of the Contract and are not attached hereto:
    - a. Notice to Proceed.
    - b. Work Change Directives.
    - c. Change Orders.
    - d. Field Orders.
    - e. Warranty Bond, if any.
- B. The Contract Documents listed in Paragraph 7.01.A are attached to this Agreement (except as expressly noted otherwise above).
- C. There are no Contract Documents other than those listed above in this Article 7.
- D. The Contract Documents may only be amended, modified, or supplemented as provided in the Contract.

## ARTICLE 8—REPRESENTATIONS, CERTIFICATIONS, AND STIPULATIONS

### 8.01 Contractor's Representations

**Notes to Users**—Modify the following representations to suit the specific Project. For example: change or delete Paragraph 8.01.A.2 if Contractor was restricted from visiting the Site prior to entering into the Contract; change or delete Paragraph 8.01.A.4 and 5 if there are no reports or drawings of the type referred to.

- A. In order to induce Owner to enter into this Contract, Contractor makes the following representations:
1. Contractor has examined and carefully studied the Contract Documents, including Addenda.
  2. Contractor has visited the Site, conducted a thorough visual examination of the Site and adjacent areas, and become familiar with the general, local, and Site conditions that may affect cost, progress, and performance of the Work.
  3. Contractor is familiar with all Laws and Regulations that may affect cost, progress, and performance of the Work.
  4. Contractor has carefully studied the reports of explorations and tests of subsurface conditions at or adjacent to the Site and the drawings of physical conditions relating to existing surface or subsurface structures at the Site that have been identified in the Supplementary Conditions, with respect to the Technical Data in such reports and drawings.
  5. Contractor has carefully studied the reports and drawings relating to Hazardous Environmental Conditions, if any, at or adjacent to the Site that have been identified in the Supplementary Conditions, with respect to Technical Data in such reports and drawings.
  6. Contractor has considered the information known to Contractor itself; information commonly known to contractors doing business in the locality of the Site; information and observations obtained from visits to the Site; the Contract Documents; and the Technical Data identified in the Supplementary Conditions or by definition, with respect to the effect of such information, observations, and Technical Data on (a) the cost, progress, and performance of the Work; (b) the means, methods, techniques, sequences, and procedures of construction to be employed by Contractor; and (c) Contractor's safety precautions and programs.
  7. Based on the information and observations referred to in the preceding paragraph, Contractor agrees that no further examinations, investigations, explorations, tests, studies, or data are necessary for the performance of the Work at the Contract Price, within the Contract Times, and in accordance with the other terms and conditions of the Contract.
  8. Contractor is aware of the general nature of work to be performed by Owner and others at the Site that relates to the Work as indicated in the Contract Documents.

9. Contractor has given Engineer written notice of all conflicts, errors, ambiguities, or discrepancies that Contractor has discovered in the Contract Documents, and of discrepancies between Site conditions and the Contract Documents, and the written resolution thereof by Engineer is acceptable to Contractor.
10. The Contract Documents are generally sufficient to indicate and convey understanding of all terms and conditions for performance and furnishing of the Work.
11. Contractor's entry into this Contract constitutes an incontrovertible representation by Contractor that without exception all prices in the Agreement are premised upon performing and furnishing the Work required by the Contract Documents.

#### 8.02 *Contractor's Certifications*

- A. Contractor certifies that it has not engaged in corrupt, fraudulent, collusive, or coercive practices in competing for or in executing the Contract. For the purposes of this Paragraph 8.02:
  1. "corrupt practice" means the offering, giving, receiving, or soliciting of anything of value likely to influence the action of a public official in the bidding process or in the Contract execution;
  2. "fraudulent practice" means an intentional misrepresentation of facts made (a) to influence the bidding process or the execution of the Contract to the detriment of Owner, (b) to establish Bid or Contract prices at artificial non-competitive levels, or (c) to deprive Owner of the benefits of free and open competition;
  3. "collusive practice" means a scheme or arrangement between two or more Bidders, with or without the knowledge of Owner, a purpose of which is to establish Bid prices at artificial, non-competitive levels; and
  4. "coercive practice" means harming or threatening to harm, directly or indirectly, persons or their property to influence their participation in the bidding process or affect the execution of the Contract.

#### 8.03 *Standard General Conditions*

- A. Owner stipulates that if the General Conditions that are made a part of this Contract are EJCDC® C-700, Standard General Conditions for the Construction Contract (2018), published by the Engineers Joint Contract Documents Committee, and if Owner is the party that has furnished said General Conditions, then Owner has plainly shown all modifications to the standard wording of such published document to the Contractor, through a process such as highlighting or "track changes" (redline/strikeout), or in the Supplementary Conditions.

IN WITNESS WHEREOF, Owner and Contractor have signed this Agreement.

This Agreement will be effective on **[indicate date on which Contract becomes effective]** (which is the Effective Date of the Contract).

**Guidance Notes—Signing and Dating Agreement:**

1. See Article 20 of the Instructions to Bidders and correlate procedures for format and signing of the documents.
2. The Effective Date of the Contract stated above and the dates of any construction performance bond (EJCDC® C-610, Performance Bond (2018) or other) and construction payment bond (EJCDC® C-615, Payment Bond (2018) or other) should be the same, if possible. In no case should the date of any bonds be earlier than the Effective Date of the Contract.

Owner:

\_\_\_\_\_  
*(typed or printed name of organization)*

By:

\_\_\_\_\_  
*(individual's signature)*

Date:

\_\_\_\_\_  
*(date signed)*

Name:

\_\_\_\_\_  
*(typed or printed)*

Title:

\_\_\_\_\_  
*(typed or printed)*

Attest:

\_\_\_\_\_  
*(individual's signature)*

Title:

\_\_\_\_\_  
*(typed or printed)*

Address for giving notices:

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

Designated Representative:

Name:

\_\_\_\_\_  
*(typed or printed)*

Title:

\_\_\_\_\_  
*(typed or printed)*

Address:

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

Contractor:

\_\_\_\_\_  
*(typed or printed name of organization)*

By:

\_\_\_\_\_  
*(individual's signature)*

Date:

\_\_\_\_\_  
*(date signed)*

Name:

\_\_\_\_\_  
*(typed or printed)*

Title:

\_\_\_\_\_  
*(typed or printed)*

*(If [Type of Entity] is a corporation, a partnership, or a joint venture, attach evidence of authority to sign.)*

Attest:

\_\_\_\_\_  
*(individual's signature)*

Title:

\_\_\_\_\_  
*(typed or printed)*

Address for giving notices:

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

Designated Representative:

Name:

\_\_\_\_\_  
*(typed or printed)*

Title:

\_\_\_\_\_  
*(typed or printed)*

Address:

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

Phone: \_\_\_\_\_

Email: \_\_\_\_\_

*(If [Type of Entity] is a corporation, attach evidence of authority to sign. If [Type of Entity] is a public body, attach evidence of authority to sign and resolution or other documents authorizing execution of this Agreement.)*

Phone: \_\_\_\_\_

Email: \_\_\_\_\_

License No.: \_\_\_\_\_  
*(where applicable)*

State: \_\_\_\_\_

DRAFT

STANDARD GENERAL CONDITIONS

**OF THE CONSTRUCTION CONTRACT**

**TABLE OF CONTENTS**

	<b>Page</b>
Article 1—Definitions and Terminology.....	1
1.01 Defined Terms.....	1
1.02 Terminology .....	6
Article 2—Preliminary Matters.....	7
2.01 Delivery of Performance and Payment Bonds; Evidence of Insurance.....	7
2.02 Copies of Documents .....	7
2.03 Before Starting Construction .....	7
2.04 Preconstruction Conference; Designation of Authorized Representatives.....	8
2.05 Acceptance of Schedules .....	8
2.06 Electronic Transmittals .....	8
Article 3—Contract Documents: Intent, Requirements, Reuse.....	9
3.01 Intent.....	9
3.02 Reference Standards.....	9
3.03 Reporting and Resolving Discrepancies .....	10
3.04 Requirements of the Contract Documents.....	10
3.05 Reuse of Documents.....	11
Article 4—Commencement and Progress of the Work .....	11
4.01 Commencement of Contract Times; Notice to Proceed.....	11
4.02 Starting the Work.....	11
4.03 Reference Points.....	11
4.04 Progress Schedule.....	12
4.05 Delays in Contractor’s Progress .....	12
Article 5—Site; Subsurface and Physical Conditions; Hazardous Environmental Conditions .....	13
5.01 Availability of Lands .....	13
5.02 Use of Site and Other Areas.....	14
5.03 Subsurface and Physical Conditions.....	15
5.04 Differing Subsurface or Physical Conditions .....	16

5.05	Underground Facilities.....	17
5.06	Hazardous Environmental Conditions at Site .....	19
Article 6—Bonds and Insurance.....		21
6.01	Performance, Payment, and Other Bonds.....	21
6.02	Insurance—General Provisions.....	22
6.03	Contractor’s Insurance.....	24
6.04	Builder’s Risk and Other Property Insurance.....	25
6.05	Property Losses; Subrogation .....	25
6.06	Receipt and Application of Property Insurance Proceeds .....	27
Article 7—Contractor’s Responsibilities .....		27
7.01	Contractor’s Means and Methods of Construction .....	27
7.02	Supervision and Superintendence .....	27
7.03	Labor; Working Hours .....	27
7.04	Services, Materials, and Equipment .....	28
7.05	“Or Equals”.....	28
7.06	Substitutes .....	29
7.07	Concerning Subcontractors and Suppliers.....	31
7.08	Patent Fees and Royalties.....	32
7.09	Permits .....	33
7.10	Taxes .....	33
7.11	Laws and Regulations.....	33
7.12	Record Documents.....	33
7.13	Safety and Protection .....	34
7.14	Hazard Communication Programs .....	35
7.15	Emergencies.....	35
7.16	Submittals .....	35
7.17	Contractor’s General Warranty and Guarantee .....	38
7.18	Indemnification .....	39
7.19	Delegation of Professional Design Services .....	39
Article 8—Other Work at the Site.....		40
8.01	Other Work .....	40
8.02	Coordination .....	41
8.03	Legal Relationships.....	41

Article 9—Owner’s Responsibilities .....	42
9.01 Communications to Contractor .....	42
9.02 Replacement of Engineer .....	42
9.03 Furnish Data .....	42
9.04 Pay When Due .....	42
9.05 Lands and Easements; Reports, Tests, and Drawings .....	43
9.06 Insurance .....	43
9.07 Change Orders .....	43
9.08 Inspections, Tests, and Approvals .....	43
9.09 Limitations on Owner’s Responsibilities .....	43
9.10 Undisclosed Hazardous Environmental Condition .....	43
9.11 Evidence of Financial Arrangements .....	43
9.12 Safety Programs .....	43
Article 10—Engineer’s Status During Construction .....	44
10.01 Owner’s Representative .....	44
10.02 Visits to Site .....	44
10.03 Resident Project Representative .....	44
10.04 Engineer’s Authority .....	44
10.05 Determinations for Unit Price Work .....	45
10.06 Decisions on Requirements of Contract Documents and Acceptability of Work .....	45
10.07 Limitations on Engineer’s Authority and Responsibilities .....	45
10.08 Compliance with Safety Program .....	45
Article 11—Changes to the Contract .....	46
11.01 Amending and Supplementing the Contract .....	46
11.02 Change Orders .....	46
11.03 Work Change Directives .....	46
11.04 Field Orders .....	47
11.05 Owner-Authorized Changes in the Work .....	47
11.06 Unauthorized Changes in the Work .....	47
11.07 Change of Contract Price .....	47
11.08 Change of Contract Times .....	49
11.09 Change Proposals .....	49
11.10 Notification to Surety .....	50

Article 12—Claims.....	50
12.01    Claims.....	50
Article 13—Cost of the Work; Allowances; Unit Price Work .....	51
13.01    Cost of the Work .....	51
13.02    Allowances .....	55
13.03    Unit Price Work.....	55
Article 14—Tests and Inspections; Correction, Removal, or Acceptance of Defective Work .....	56
14.01    Access to Work.....	56
14.02    Tests, Inspections, and Approvals.....	56
14.03    Defective Work .....	57
14.04    Acceptance of Defective Work.....	58
14.05    Uncovering Work .....	58
14.06    Owner May Stop the Work .....	58
14.07    Owner May Correct Defective Work.....	59
Article 15—Payments to Contractor; Set-Offs; Completion; Correction Period .....	59
15.01    Progress Payments.....	59
15.02    Contractor’s Warranty of Title .....	62
15.03    Substantial Completion.....	62
15.04    Partial Use or Occupancy .....	63
15.05    Final Inspection.....	64
15.06    Final Payment.....	64
15.07    Waiver of Claims .....	65
15.08    Correction Period .....	66
Article 16—Suspension of Work and Termination .....	67
16.01    Owner May Suspend Work .....	67
16.02    Owner May Terminate for Cause.....	67
16.03    Owner May Terminate for Convenience.....	68
16.04    Contractor May Stop Work or Terminate .....	68
Article 17—Final Resolution of Disputes .....	69
17.01    Methods and Procedures.....	69
Article 18—Miscellaneous .....	69
18.01    Giving Notice .....	69
18.02    Computation of Times.....	69

18.03 Cumulative Remedies ..... 70  
18.04 Limitation of Damages ..... 70  
18.05 No Waiver ..... 70  
18.06 Survival of Obligations ..... 70  
18.07 Controlling Law ..... 70  
18.08 Assignment of Contract..... 70  
18.09 Successors and Assigns ..... 70  
18.10 Headings..... 70

DRAFT

# STANDARD GENERAL CONDITIONS OF THE CONSTRUCTION CONTRACT

## ARTICLE 1—DEFINITIONS AND TERMINOLOGY

### 1.01 *Defined Terms*

- A. Wherever used in the Bidding Requirements or Contract Documents, a term printed with initial capital letters, including the term's singular and plural forms, will have the meaning indicated in the definitions below. In addition to terms specifically defined, terms with initial capital letters in the Contract Documents include references to identified articles and paragraphs, and the titles of other documents or forms.
1. *Addenda*—Written or graphic instruments issued prior to the opening of Bids which clarify, correct, or change the Bidding Requirements or the proposed Contract Documents.
  2. *Agreement*—The written instrument, executed by Owner and Contractor, that sets forth the Contract Price and Contract Times, identifies the parties and the Engineer, and designates the specific items that are Contract Documents.
  3. *Application for Payment*—The document prepared by Contractor, in a form acceptable to Engineer, to request progress or final payments, and which is to be accompanied by such supporting documentation as is required by the Contract Documents.
  4. *Bid*—The offer of a Bidder submitted on the prescribed form setting forth the prices for the Work to be performed.
  5. *Bidder*—An individual or entity that submits a Bid to Owner.
  6. *Bidding Documents*—The Bidding Requirements, the proposed Contract Documents, and all Addenda.
  7. *Bidding Requirements*—The Advertisement or invitation to bid, Instructions to Bidders, Bid Bond or other Bid security, if any, the Bid Form, and the Bid with any attachments.
  8. *Change Order*—A document which is signed by Contractor and Owner and authorizes an addition, deletion, or revision in the Work or an adjustment in the Contract Price or the Contract Times, or other revision to the Contract, issued on or after the Effective Date of the Contract.
  9. *Change Proposal*—A written request by Contractor, duly submitted in compliance with the procedural requirements set forth herein, seeking an adjustment in Contract Price or Contract Times; contesting an initial decision by Engineer concerning the requirements of the Contract Documents or the acceptability of Work under the Contract Documents; challenging a set-off against payments due; or seeking other relief with respect to the terms of the Contract.
  10. *Claim*
    - a. A demand or assertion by Owner directly to Contractor, duly submitted in compliance with the procedural requirements set forth herein, seeking an adjustment of Contract Price or Contract Times; contesting an initial decision by Engineer concerning the

- requirements of the Contract Documents or the acceptability of Work under the Contract Documents; contesting Engineer's decision regarding a Change Proposal; seeking resolution of a contractual issue that Engineer has declined to address; or seeking other relief with respect to the terms of the Contract.
- b. A demand or assertion by Contractor directly to Owner, duly submitted in compliance with the procedural requirements set forth herein, contesting Engineer's decision regarding a Change Proposal, or seeking resolution of a contractual issue that Engineer has declined to address.
  - c. A demand or assertion by Owner or Contractor, duly submitted in compliance with the procedural requirements set forth herein, made pursuant to Paragraph 12.01.A.4, concerning disputes arising after Engineer has issued a recommendation of final payment.
  - d. A demand for money or services by a third party is not a Claim.
11. *Constituent of Concern*—Asbestos, petroleum, radioactive materials, polychlorinated biphenyls (PCBs), lead-based paint (as defined by the HUD/EPA standard), hazardous waste, and any substance, product, waste, or other material of any nature whatsoever that is or becomes listed, regulated, or addressed pursuant to Laws and Regulations regulating, relating to, or imposing liability or standards of conduct concerning, any hazardous, toxic, or dangerous waste, substance, or material.
  12. *Contract*—The entire and integrated written contract between Owner and Contractor concerning the Work.
  13. *Contract Documents*—Those items so designated in the Agreement, and which together comprise the Contract.
  14. *Contract Price*—The money that Owner has agreed to pay Contractor for completion of the Work in accordance with the Contract Documents.
  15. *Contract Times*—The number of days or the dates by which Contractor shall: (a) achieve Milestones, if any; (b) achieve Substantial Completion; and (c) complete the Work.
  16. *Contractor*—The individual or entity with which Owner has contracted for performance of the Work.
  17. *Cost of the Work*—See Paragraph 13.01 for definition.
  18. *Drawings*—The part of the Contract that graphically shows the scope, extent, and character of the Work to be performed by Contractor.
  19. *Effective Date of the Contract*—The date, indicated in the Agreement, on which the Contract becomes effective.
  20. *Electronic Document*—Any Project-related correspondence, attachments to correspondence, data, documents, drawings, information, or graphics, including but not limited to Shop Drawings and other Submittals, that are in an electronic or digital format.
  21. *Electronic Means*—Electronic mail (email), upload/download from a secure Project website, or other communications methods that allow: (a) the transmission or communication of Electronic Documents; (b) the documentation of transmissions, including sending and receipt; (c) printing of the transmitted Electronic Document by the

recipient; (d) the storage and archiving of the Electronic Document by sender and recipient; and (e) the use by recipient of the Electronic Document for purposes permitted by this Contract. Electronic Means does not include the use of text messaging, or of Facebook, Twitter, Instagram, or similar social media services for transmission of Electronic Documents.

22. *Engineer*—The individual or entity named as such in the Agreement.
23. *Field Order*—A written order issued by Engineer which requires minor changes in the Work but does not change the Contract Price or the Contract Times.
24. *Hazardous Environmental Condition*—The presence at the Site of Constituents of Concern in such quantities or circumstances that may present a danger to persons or property exposed thereto.
  - a. The presence at the Site of materials that are necessary for the execution of the Work, or that are to be incorporated into the Work, and that are controlled and contained pursuant to industry practices, Laws and Regulations, and the requirements of the Contract, is not a Hazardous Environmental Condition.
  - b. The presence of Constituents of Concern that are to be removed or remediated as part of the Work is not a Hazardous Environmental Condition.
  - c. The presence of Constituents of Concern as part of the routine, anticipated, and obvious working conditions at the Site, is not a Hazardous Environmental Condition.
25. *Laws and Regulations; Laws or Regulations*—Any and all applicable laws, statutes, rules, regulations, ordinances, codes, and binding decrees, resolutions, and orders of any and all governmental bodies, agencies, authorities, and courts having jurisdiction.
26. *Liens*—Charges, security interests, or encumbrances upon Contract-related funds, real property, or personal property.
27. *Milestone*—A principal event in the performance of the Work that the Contract requires Contractor to achieve by an intermediate completion date, or by a time prior to Substantial Completion of all the Work.
28. *Notice of Award*—The written notice by Owner to a Bidder of Owner's acceptance of the Bid.
29. *Notice to Proceed*—A written notice by Owner to Contractor fixing the date on which the Contract Times will commence to run and on which Contractor shall start to perform the Work.
30. *Owner*—The individual or entity with which Contractor has contracted regarding the Work, and which has agreed to pay Contractor for the performance of the Work, pursuant to the terms of the Contract.
31. *Progress Schedule*—A schedule, prepared and maintained by Contractor, describing the sequence and duration of the activities comprising Contractor's plan to accomplish the Work within the Contract Times.
32. *Project*—The total undertaking to be accomplished for Owner by engineers, contractors, and others, including planning, study, design, construction, testing, commissioning, and start-up, and of which the Work to be performed under the Contract Documents is a part.

33. *Resident Project Representative*—The authorized representative of Engineer assigned to assist Engineer at the Site. As used herein, the term Resident Project Representative (RPR) includes any assistants or field staff of Resident Project Representative.
34. *Samples*—Physical examples of materials, equipment, or workmanship that are representative of some portion of the Work and that establish the standards by which such portion of the Work will be judged.
35. *Schedule of Submittals*—A schedule, prepared and maintained by Contractor, of required submittals and the time requirements for Engineer’s review of the submittals.
36. *Schedule of Values*—A schedule, prepared and maintained by Contractor, allocating portions of the Contract Price to various portions of the Work and used as the basis for reviewing Contractor’s Applications for Payment.
37. *Shop Drawings*—All drawings, diagrams, illustrations, schedules, and other data or information that are specifically prepared or assembled by or for Contractor and submitted by Contractor to illustrate some portion of the Work. Shop Drawings, whether approved or not, are not Drawings and are not Contract Documents.
38. *Site*—Lands or areas indicated in the Contract Documents as being furnished by Owner upon which the Work is to be performed, including rights-of-way and easements, and such other lands or areas furnished by Owner which are designated for the use of Contractor.
39. *Specifications*—The part of the Contract that consists of written requirements for materials, equipment, systems, standards, and workmanship as applied to the Work, and certain administrative requirements and procedural matters applicable to the Work.
40. *Subcontractor*—An individual or entity having a direct contract with Contractor or with any other Subcontractor for the performance of a part of the Work.
41. *Submittal*—A written or graphic document, prepared by or for Contractor, which the Contract Documents require Contractor to submit to Engineer, or that is indicated as a Submittal in the Schedule of Submittals accepted by Engineer. Submittals may include Shop Drawings and Samples; schedules; product data; Owner-delegated designs; sustainable design information; information on special procedures; testing plans; results of tests and evaluations, source quality-control testing and inspections, and field or Site quality-control testing and inspections; warranties and certifications; Suppliers’ instructions and reports; records of delivery of spare parts and tools; operations and maintenance data; Project photographic documentation; record documents; and other such documents required by the Contract Documents. Submittals, whether or not approved or accepted by Engineer, are not Contract Documents. Change Proposals, Change Orders, Claims, notices, Applications for Payment, and requests for interpretation or clarification are not Submittals.
42. *Substantial Completion*—The time at which the Work (or a specified part thereof) has progressed to the point where, in the opinion of Engineer, the Work (or a specified part thereof) is sufficiently complete, in accordance with the Contract Documents, so that the Work (or a specified part thereof) can be utilized for the purposes for which it is intended. The terms “substantially complete” and “substantially completed” as applied to all or part of the Work refer to Substantial Completion of such Work.

43. *Successful Bidder*—The Bidder to which the Owner makes an award of contract.
44. *Supplementary Conditions*—The part of the Contract that amends or supplements these General Conditions.
45. *Supplier*—A manufacturer, fabricator, supplier, distributor, or vendor having a direct contract with Contractor or with any Subcontractor to furnish materials or equipment to be incorporated in the Work by Contractor or a Subcontractor.
46. *Technical Data*
- a. Those items expressly identified as Technical Data in the Supplementary Conditions, with respect to either (1) existing subsurface conditions at or adjacent to the Site, or existing physical conditions at or adjacent to the Site including existing surface or subsurface structures (except Underground Facilities) or (2) Hazardous Environmental Conditions at the Site.
  - b. If no such express identifications of Technical Data have been made with respect to conditions at the Site, then Technical Data is defined, with respect to conditions at the Site under Paragraphs 5.03, 5.04, and 5.06, as the data contained in boring logs, recorded measurements of subsurface water levels, assessments of the condition of subsurface facilities, laboratory test results, and other factual, objective information regarding conditions at the Site that are set forth in any geotechnical, environmental, or other Site or facilities conditions report prepared for the Project and made available to Contractor.
  - c. Information and data regarding the presence or location of Underground Facilities are not intended to be categorized, identified, or defined as Technical Data, and instead Underground Facilities are shown or indicated on the Drawings.
47. *Underground Facilities*—All active or not-in-service underground lines, pipelines, conduits, ducts, encasements, cables, wires, manholes, vaults, tanks, tunnels, or other such facilities or systems at the Site, including but not limited to those facilities or systems that produce, transmit, distribute, or convey telephone or other communications, cable television, fiber optic transmissions, power, electricity, light, heat, gases, oil, crude oil products, liquid petroleum products, water, steam, waste, wastewater, storm water, other liquids or chemicals, or traffic or other control systems. An abandoned facility or system is not an Underground Facility.
48. *Unit Price Work*—Work to be paid for on the basis of unit prices.
49. *Work*—The entire construction or the various separately identifiable parts thereof required to be provided under the Contract Documents. Work includes and is the result of performing or providing all labor, services, and documentation necessary to produce such construction; furnishing, installing, and incorporating all materials and equipment into such construction; and may include related services such as testing, start-up, and commissioning, all as required by the Contract Documents.
50. *Work Change Directive*—A written directive to Contractor issued on or after the Effective Date of the Contract, signed by Owner and recommended by Engineer, ordering an addition, deletion, or revision in the Work.

## 1.02 Terminology

- A. The words and terms discussed in Paragraphs 1.02.B, C, D, and E are not defined terms that require initial capital letters, but, when used in the Bidding Requirements or Contract Documents, have the indicated meaning.
- B. *Intent of Certain Terms or Adjectives:* The Contract Documents include the terms “as allowed,” “as approved,” “as ordered,” “as directed” or terms of like effect or import to authorize an exercise of professional judgment by Engineer. In addition, the adjectives “reasonable,” “suitable,” “acceptable,” “proper,” “satisfactory,” or adjectives of like effect or import are used to describe an action or determination of Engineer as to the Work. It is intended that such exercise of professional judgment, action, or determination will be solely to evaluate, in general, the Work for compliance with the information in the Contract Documents and with the design concept of the Project as a functioning whole as shown or indicated in the Contract Documents (unless there is a specific statement indicating otherwise). The use of any such term or adjective is not intended to and shall not be effective to assign to Engineer any duty or authority to supervise or direct the performance of the Work, or any duty or authority to undertake responsibility contrary to the provisions of Article 10 or any other provision of the Contract Documents.
- C. *Day:* The word “day” means a calendar day of 24 hours measured from midnight to the next midnight.
- D. *Defective:* The word “defective,” when modifying the word “Work,” refers to Work that is unsatisfactory, faulty, or deficient in that it:
1. does not conform to the Contract Documents;
  2. does not meet the requirements of any applicable inspection, reference standard, test, or approval referred to in the Contract Documents; or
  3. has been damaged prior to Engineer’s recommendation of final payment (unless responsibility for the protection thereof has been assumed by Owner at Substantial Completion in accordance with Paragraph 15.03 or Paragraph 15.04).
- E. *Furnish, Install, Perform, Provide*
1. The word “furnish,” when used in connection with services, materials, or equipment, means to supply and deliver said services, materials, or equipment to the Site (or some other specified location) ready for use or installation and in usable or operable condition.
  2. The word “install,” when used in connection with services, materials, or equipment, means to put into use or place in final position said services, materials, or equipment complete and ready for intended use.
  3. The words “perform” or “provide,” when used in connection with services, materials, or equipment, means to furnish and install said services, materials, or equipment complete and ready for intended use.
  4. If the Contract Documents establish an obligation of Contractor with respect to specific services, materials, or equipment, but do not expressly use any of the four words “furnish,” “install,” “perform,” or “provide,” then Contractor shall furnish and install said services, materials, or equipment complete and ready for intended use.

- F. *Contract Price or Contract Times*: References to a change in “Contract Price or Contract Times” or “Contract Times or Contract Price” or similar, indicate that such change applies to (1) Contract Price, (2) Contract Times, or (3) both Contract Price and Contract Times, as warranted, even if the term “or both” is not expressed.
- G. Unless stated otherwise in the Contract Documents, words or phrases that have a well-known technical or construction industry or trade meaning are used in the Contract Documents in accordance with such recognized meaning.

## **ARTICLE 2—PRELIMINARY MATTERS**

### **2.01 *Delivery of Performance and Payment Bonds; Evidence of Insurance***

- A. *Performance and Payment Bonds*: When Contractor delivers the signed counterparts of the Agreement to Owner, Contractor shall also deliver to Owner the performance bond and payment bond (if the Contract requires Contractor to furnish such bonds).
- B. *Evidence of Contractor’s Insurance*: When Contractor delivers the signed counterparts of the Agreement to Owner, Contractor shall also deliver to Owner, with copies to each additional insured (as identified in the Contract), the certificates, endorsements, and other evidence of insurance required to be provided by Contractor in accordance with Article 6, except to the extent the Supplementary Conditions expressly establish other dates for delivery of specific insurance policies.
- C. *Evidence of Owner’s Insurance*: After receipt of the signed counterparts of the Agreement and all required bonds and insurance documentation, Owner shall promptly deliver to Contractor, with copies to each additional insured (as identified in the Contract), the certificates and other evidence of insurance required to be provided by Owner under Article 6.

### **2.02 *Copies of Documents***

- A. Owner shall furnish to Contractor four printed copies of the Contract (including one fully signed counterpart of the Agreement), and one copy in electronic portable document format (PDF). Additional printed copies will be furnished upon request at the cost of reproduction.
- B. Owner shall maintain and safeguard at least one original printed record version of the Contract, including Drawings and Specifications signed and sealed by Engineer and other design professionals. Owner shall make such original printed record version of the Contract available to Contractor for review. Owner may delegate the responsibilities under this provision to Engineer.

### **2.03 *Before Starting Construction***

- A. *Preliminary Schedules*: Within 10 days after the Effective Date of the Contract (or as otherwise required by the Contract Documents), Contractor shall submit to Engineer for timely review:
  - 1. a preliminary Progress Schedule indicating the times (numbers of days or dates) for starting and completing the various stages of the Work, including any Milestones specified in the Contract;
  - 2. a preliminary Schedule of Submittals; and
  - 3. a preliminary Schedule of Values for all of the Work which includes quantities and prices of items which when added together equal the Contract Price and subdivides the Work

into component parts in sufficient detail to serve as the basis for progress payments during performance of the Work. Such prices will include an appropriate amount of overhead and profit applicable to each item of Work.

2.04 *Preconstruction Conference; Designation of Authorized Representatives*

- A. Before any Work at the Site is started, a conference attended by Owner, Contractor, Engineer, and others as appropriate will be held to establish a working understanding among the parties as to the Work, and to discuss the schedules referred to in Paragraph 2.03.A, procedures for handling Shop Drawings, Samples, and other Submittals, processing Applications for Payment, electronic or digital transmittals, and maintaining required records.
- B. At this conference Owner and Contractor each shall designate, in writing, a specific individual to act as its authorized representative with respect to the services and responsibilities under the Contract. Such individuals shall have the authority to transmit and receive information, render decisions relative to the Contract, and otherwise act on behalf of each respective party.

2.05 *Acceptance of Schedules*

- A. At least 10 days before submission of the first Application for Payment a conference, attended by Contractor, Engineer, and others as appropriate, will be held to review the schedules submitted in accordance with Paragraph 2.03.A. No progress payment will be made to Contractor until acceptable schedules are submitted to Engineer.
  - 1. The Progress Schedule will be acceptable to Engineer if it provides an orderly progression of the Work to completion within the Contract Times. Such acceptance will not impose on Engineer responsibility for the Progress Schedule, for sequencing, scheduling, or progress of the Work, nor interfere with or relieve Contractor from Contractor's full responsibility therefor.
  - 2. Contractor's Schedule of Submittals will be acceptable to Engineer if it provides a workable arrangement for reviewing and processing the required submittals.
  - 3. Contractor's Schedule of Values will be acceptable to Engineer as to form and substance if it provides a reasonable allocation of the Contract Price to the component parts of the Work.
  - 4. If a schedule is not acceptable, Contractor will have an additional 10 days to revise and resubmit the schedule.

2.06 *Electronic Transmittals*

- A. Except as otherwise stated elsewhere in the Contract, the Owner, Engineer, and Contractor may send, and shall accept, Electronic Documents transmitted by Electronic Means.
- B. If the Contract does not establish protocols for Electronic Means, then Owner, Engineer, and Contractor shall jointly develop such protocols.
- C. Subject to any governing protocols for Electronic Means, when transmitting Electronic Documents by Electronic Means, the transmitting party makes no representations as to long-term compatibility, usability, or readability of the Electronic Documents resulting from the recipient's use of software application packages, operating systems, or computer hardware differing from those used in the drafting or transmittal of the Electronic Documents.

## ARTICLE 3—CONTRACT DOCUMENTS: INTENT, REQUIREMENTS, REUSE

### 3.01 *Intent*

- A. The Contract Documents are complementary; what is required by one Contract Document is as binding as if required by all.
- B. It is the intent of the Contract Documents to describe a functionally complete Project (or part thereof) to be constructed in accordance with the Contract Documents.
- C. Unless otherwise stated in the Contract Documents, if there is a discrepancy between the electronic versions of the Contract Documents (including any printed copies derived from such electronic versions) and the printed record version, the printed record version will govern.
- D. The Contract supersedes prior negotiations, representations, and agreements, whether written or oral.
- E. Engineer will issue clarifications and interpretations of the Contract Documents as provided herein.
- F. Any provision or part of the Contract Documents held to be void or unenforceable under any Law or Regulation will be deemed stricken, and all remaining provisions will continue to be valid and binding upon Owner and Contractor, which agree that the Contract Documents will be reformed to replace such stricken provision or part thereof with a valid and enforceable provision that comes as close as possible to expressing the intention of the stricken provision.
- G. Nothing in the Contract Documents creates:
  - 1. any contractual relationship between Owner or Engineer and any Subcontractor, Supplier, or other individual or entity performing or furnishing any of the Work, for the benefit of such Subcontractor, Supplier, or other individual or entity; or
  - 2. any obligation on the part of Owner or Engineer to pay or to see to the payment of any money due any such Subcontractor, Supplier, or other individual or entity, except as may otherwise be required by Laws and Regulations.

### 3.02 *Reference Standards*

- A. *Standards Specifications, Codes, Laws and Regulations*
  - 1. Reference in the Contract Documents to standard specifications, manuals, reference standards, or codes of any technical society, organization, or association, or to Laws or Regulations, whether such reference be specific or by implication, means the standard specification, manual, reference standard, code, or Laws or Regulations in effect at the time of opening of Bids (or on the Effective Date of the Contract if there were no Bids), except as may be otherwise specifically stated in the Contract Documents.
  - 2. No provision of any such standard specification, manual, reference standard, or code, and no instruction of a Supplier, will be effective to change the duties or responsibilities of Owner, Contractor, or Engineer from those set forth in the part of the Contract Documents prepared by or for Engineer. No such provision or instruction shall be effective to assign to Owner or Engineer any duty or authority to supervise or direct the performance of the Work, or any duty or authority to undertake responsibility

inconsistent with the provisions of the part of the Contract Documents prepared by or for Engineer.

### 3.03 *Reporting and Resolving Discrepancies*

#### A. *Reporting Discrepancies*

1. *Contractor's Verification of Figures and Field Measurements:* Before undertaking each part of the Work, Contractor shall carefully study the Contract Documents, and check and verify pertinent figures and dimensions therein, particularly with respect to applicable field measurements. Contractor shall promptly report in writing to Engineer any conflict, error, ambiguity, or discrepancy that Contractor discovers, or has actual knowledge of, and shall not proceed with any Work affected thereby until the conflict, error, ambiguity, or discrepancy is resolved by a clarification or interpretation by Engineer, or by an amendment or supplement to the Contract issued pursuant to Paragraph 11.01.
2. *Contractor's Review of Contract Documents:* If, before or during the performance of the Work, Contractor discovers any conflict, error, ambiguity, or discrepancy within the Contract Documents, or between the Contract Documents and (a) any applicable Law or Regulation, (b) actual field conditions, (c) any standard specification, manual, reference standard, or code, or (d) any instruction of any Supplier, then Contractor shall promptly report it to Engineer in writing. Contractor shall not proceed with the Work affected thereby (except in an emergency as required by Paragraph 7.15) until the conflict, error, ambiguity, or discrepancy is resolved, by a clarification or interpretation by Engineer, or by an amendment or supplement to the Contract issued pursuant to Paragraph 11.01.
3. Contractor shall not be liable to Owner or Engineer for failure to report any conflict, error, ambiguity, or discrepancy in the Contract Documents unless Contractor had actual knowledge thereof.

#### B. *Resolving Discrepancies*

1. Except as may be otherwise specifically stated in the Contract Documents, the provisions of the part of the Contract Documents prepared by or for Engineer take precedence in resolving any conflict, error, ambiguity, or discrepancy between such provisions of the Contract Documents and:
  - a. the provisions of any standard specification, manual, reference standard, or code, or the instruction of any Supplier (whether or not specifically incorporated by reference as a Contract Document); or
  - b. the provisions of any Laws or Regulations applicable to the performance of the Work (unless such an interpretation of the provisions of the Contract Documents would result in violation of such Law or Regulation).

### 3.04 *Requirements of the Contract Documents*

- A. During the performance of the Work and until final payment, Contractor and Owner shall submit to the Engineer in writing all matters in question concerning the requirements of the Contract Documents (sometimes referred to as requests for information or interpretation—RFIs), or relating to the acceptability of the Work under the Contract Documents, as soon as possible after such matters arise. Engineer will be the initial interpreter of the requirements of the Contract Documents, and judge of the acceptability of the Work.

- B. Engineer will, with reasonable promptness, render a written clarification, interpretation, or decision on the issue submitted, or initiate an amendment or supplement to the Contract Documents. Engineer's written clarification, interpretation, or decision will be final and binding on Contractor, unless it appeals by submitting a Change Proposal, and on Owner, unless it appeals by filing a Claim.
- C. If a submitted matter in question concerns terms and conditions of the Contract Documents that do not involve (1) the performance or acceptability of the Work under the Contract Documents, (2) the design (as set forth in the Drawings, Specifications, or otherwise), or (3) other engineering or technical matters, then Engineer will promptly notify Owner and Contractor in writing that Engineer is unable to provide a decision or interpretation. If Owner and Contractor are unable to agree on resolution of such a matter in question, either party may pursue resolution as provided in Article 12.

### 3.05 *Reuse of Documents*

- A. Contractor and its Subcontractors and Suppliers shall not:
  - 1. have or acquire any title to or ownership rights in any of the Drawings, Specifications, or other documents (or copies of any thereof) prepared by or bearing the seal of Engineer or its consultants, including electronic media versions, or reuse any such Drawings, Specifications, other documents, or copies thereof on extensions of the Project or any other project without written consent of Owner and Engineer and specific written verification or adaptation by Engineer; or
  - 2. have or acquire any title or ownership rights in any other Contract Documents, reuse any such Contract Documents for any purpose without Owner's express written consent, or violate any copyrights pertaining to such Contract Documents.
- B. The prohibitions of this Paragraph 3.05 will survive final payment, or termination of the Contract. Nothing herein precludes Contractor from retaining copies of the Contract Documents for record purposes.

## **ARTICLE 4—COMMENCEMENT AND PROGRESS OF THE WORK**

### 4.01 *Commencement of Contract Times; Notice to Proceed*

- A. The Contract Times will commence to run on the 30th day after the Effective Date of the Contract or, if a Notice to Proceed is given, on the day indicated in the Notice to Proceed. A Notice to Proceed may be given at any time within 30 days after the Effective Date of the Contract. In no event will the Contract Times commence to run later than the 60th day after the day of Bid opening or the 30th day after the Effective Date of the Contract, whichever date is earlier.

### 4.02 *Starting the Work*

- A. Contractor shall start to perform the Work on the date when the Contract Times commence to run. No Work may be done at the Site prior to such date.

### 4.03 *Reference Points*

- A. Owner shall provide engineering surveys to establish reference points for construction which in Engineer's judgment are necessary to enable Contractor to proceed with the Work. Contractor shall be responsible for laying out the Work, shall protect and preserve the

established reference points and property monuments, and shall make no changes or relocations without the prior written approval of Owner. Contractor shall report to Engineer whenever any reference point or property monument is lost or destroyed or requires relocation because of necessary changes in grades or locations, and shall be responsible for the accurate replacement or relocation of such reference points or property monuments by professionally qualified personnel.

#### 4.04 *Progress Schedule*

- A. Contractor shall adhere to the Progress Schedule established in accordance with Paragraph 2.05 as it may be adjusted from time to time as provided below.
  - 1. Contractor shall submit to Engineer for acceptance (to the extent indicated in Paragraph 2.05) proposed adjustments in the Progress Schedule that will not result in changing the Contract Times.
  - 2. Proposed adjustments in the Progress Schedule that will change the Contract Times must be submitted in accordance with the requirements of Article 11.
- B. Contractor shall carry on the Work and adhere to the Progress Schedule during all disputes or disagreements with Owner. No Work will be delayed or postponed pending resolution of any disputes or disagreements, or during any appeal process, except as permitted by Paragraph 16.04, or as Owner and Contractor may otherwise agree in writing.

#### 4.05 *Delays in Contractor's Progress*

- A. If Owner, Engineer, or anyone for whom Owner is responsible, delays, disrupts, or interferes with the performance or progress of the Work, then Contractor shall be entitled to an equitable adjustment in Contract Price or Contract Times.
- B. Contractor shall not be entitled to an adjustment in Contract Price or Contract Times for delay, disruption, or interference caused by or within the control of Contractor. Delay, disruption, and interference attributable to and within the control of a Subcontractor or Supplier shall be deemed to be within the control of Contractor.
- C. If Contractor's performance or progress is delayed, disrupted, or interfered with by unanticipated causes not the fault of and beyond the control of Owner, Contractor, and those for which they are responsible, then Contractor shall be entitled to an equitable adjustment in Contract Times. Such an adjustment will be Contractor's sole and exclusive remedy for the delays, disruption, and interference described in this paragraph. Causes of delay, disruption, or interference that may give rise to an adjustment in Contract Times under this paragraph include but are not limited to the following:
  - 1. Severe and unavoidable natural catastrophes such as fires, floods, epidemics, and earthquakes;
  - 2. Abnormal weather conditions;
  - 3. Acts or failures to act of third-party utility owners or other third-party entities (other than those third-party utility owners or other third-party entities performing other work at or adjacent to the Site as arranged by or under contract with Owner, as contemplated in Article 8); and
  - 4. Acts of war or terrorism.

- D. Contractor's entitlement to an adjustment of Contract Times or Contract Price is limited as follows:
1. Contractor's entitlement to an adjustment of the Contract Times is conditioned on the delay, disruption, or interference adversely affecting an activity on the critical path to completion of the Work, as of the time of the delay, disruption, or interference.
  2. Contractor shall not be entitled to an adjustment in Contract Price for any delay, disruption, or interference if such delay is concurrent with a delay, disruption, or interference caused by or within the control of Contractor. Such a concurrent delay by Contractor shall not preclude an adjustment of Contract Times to which Contractor is otherwise entitled.
  3. Adjustments of Contract Times or Contract Price are subject to the provisions of Article 11.
- E. Each Contractor request or Change Proposal seeking an increase in Contract Times or Contract Price must be supplemented by supporting data that sets forth in detail the following:
1. The circumstances that form the basis for the requested adjustment;
  2. The date upon which each cause of delay, disruption, or interference began to affect the progress of the Work;
  3. The date upon which each cause of delay, disruption, or interference ceased to affect the progress of the Work;
  4. The number of days' increase in Contract Times claimed as a consequence of each such cause of delay, disruption, or interference; and
  5. The impact on Contract Price, in accordance with the provisions of Paragraph 11.07.
- Contractor shall also furnish such additional supporting documentation as Owner or Engineer may require including, where appropriate, a revised progress schedule indicating all the activities affected by the delay, disruption, or interference, and an explanation of the effect of the delay, disruption, or interference on the critical path to completion of the Work.
- F. Delays, disruption, and interference to the performance or progress of the Work resulting from the existence of a differing subsurface or physical condition, an Underground Facility that was not shown or indicated by the Contract Documents, or not shown or indicated with reasonable accuracy, and those resulting from Hazardous Environmental Conditions, are governed by Article 5, together with the provisions of Paragraphs 4.05.D and 4.05.E.
- G. Paragraph 8.03 addresses delays, disruption, and interference to the performance or progress of the Work resulting from the performance of certain other work at or adjacent to the Site.

## **ARTICLE 5—SITE; SUBSURFACE AND PHYSICAL CONDITIONS; HAZARDOUS ENVIRONMENTAL CONDITIONS**

### **5.01 *Availability of Lands***

- A. Owner shall furnish the Site. Owner shall notify Contractor in writing of any encumbrances or restrictions not of general application but specifically related to use of the Site with which Contractor must comply in performing the Work.

- B. Upon reasonable written request, Owner shall furnish Contractor with a current statement of record legal title and legal description of the lands upon which permanent improvements are to be made and Owner's interest therein as necessary for giving notice of or filing a mechanic's or construction lien against such lands in accordance with applicable Laws and Regulations.
- C. Contractor shall provide for all additional lands and access thereto that may be required for temporary construction facilities or storage of materials and equipment.

## 5.02 *Use of Site and Other Areas*

### A. *Limitation on Use of Site and Other Areas*

1. Contractor shall confine construction equipment, temporary construction facilities, the storage of materials and equipment, and the operations of workers to the Site, adjacent areas that Contractor has arranged to use through construction easements or otherwise, and other adjacent areas permitted by Laws and Regulations, and shall not unreasonably encumber the Site and such other adjacent areas with construction equipment or other materials or equipment. Contractor shall assume full responsibility for (a) damage to the Site; (b) damage to any such other adjacent areas used for Contractor's operations; (c) damage to any other adjacent land or areas, or to improvements, structures, utilities, or similar facilities located at such adjacent lands or areas; and (d) for injuries and losses sustained by the owners or occupants of any such land or areas; provided that such damage or injuries result from the performance of the Work or from other actions or conduct of the Contractor or those for which Contractor is responsible.
  2. If a damage or injury claim is made by the owner or occupant of any such land or area because of the performance of the Work, or because of other actions or conduct of the Contractor or those for which Contractor is responsible, Contractor shall (a) take immediate corrective or remedial action as required by Paragraph 7.13, or otherwise; (b) promptly attempt to settle the claim as to all parties through negotiations with such owner or occupant, or otherwise resolve the claim by arbitration or other dispute resolution proceeding, or in a court of competent jurisdiction; and (c) to the fullest extent permitted by Laws and Regulations, indemnify and hold harmless Owner and Engineer, and the officers, directors, members, partners, employees, agents, consultants and subcontractors of each and any of them, from and against any such claim, and against all costs, losses, and damages (including but not limited to all fees and charges of engineers, architects, attorneys, and other professionals and all court or arbitration or other dispute resolution costs) arising out of or relating to any claim or action, legal or equitable, brought by any such owner or occupant against Owner, Engineer, or any other party indemnified hereunder to the extent caused directly or indirectly, in whole or in part by, or based upon, Contractor's performance of the Work, or because of other actions or conduct of the Contractor or those for which Contractor is responsible.
- B. *Removal of Debris During Performance of the Work:* During the progress of the Work the Contractor shall keep the Site and other adjacent areas free from accumulations of waste materials, rubbish, and other debris. Removal and disposal of such waste materials, rubbish, and other debris will conform to applicable Laws and Regulations.
  - C. *Cleaning:* Prior to Substantial Completion of the Work Contractor shall clean the Site and the Work and make it ready for utilization by Owner. At the completion of the Work Contractor shall remove from the Site and adjacent areas all tools, appliances, construction equipment

and machinery, and surplus materials and shall restore to original condition all property not designated for alteration by the Contract Documents.

- D. *Loading of Structures:* Contractor shall not load nor permit any part of any structure to be loaded in any manner that will endanger the structure, nor shall Contractor subject any part of the Work or adjacent structures or land to stresses or pressures that will endanger them.

5.03 *Subsurface and Physical Conditions*

- A. *Reports and Drawings:* The Supplementary Conditions identify:

1. Those reports of explorations and tests of subsurface conditions at or adjacent to the Site that contain Technical Data;
2. Those drawings of existing physical conditions at or adjacent to the Site, including those drawings depicting existing surface or subsurface structures at or adjacent to the Site (except Underground Facilities), that contain Technical Data; and
3. Technical Data contained in such reports and drawings.

- B. *Underground Facilities:* Underground Facilities are shown or indicated on the Drawings, pursuant to Paragraph 5.05, and not in the drawings referred to in Paragraph 5.03.A. Information and data regarding the presence or location of Underground Facilities are not intended to be categorized, identified, or defined as Technical Data.

- C. *Reliance by Contractor on Technical Data:* Contractor may rely upon the accuracy of the Technical Data expressly identified in the Supplementary Conditions with respect to such reports and drawings, but such reports and drawings are not Contract Documents. If no such express identification has been made, then Contractor may rely upon the accuracy of the Technical Data as defined in Paragraph 1.01.A.46.b.

- D. *Limitations of Other Data and Documents:* Except for such reliance on Technical Data, Contractor may not rely upon or make any claim against Owner or Engineer, or any of their officers, directors, members, partners, employees, agents, consultants, or subcontractors, with respect to:

1. the completeness of such reports and drawings for Contractor's purposes, including, but not limited to, any aspects of the means, methods, techniques, sequences, and procedures of construction to be employed by Contractor, and safety precautions and programs incident thereto;
2. other data, interpretations, opinions, and information contained in such reports or shown or indicated in such drawings;
3. the contents of other Site-related documents made available to Contractor, such as record drawings from other projects at or adjacent to the Site, or Owner's archival documents concerning the Site; or
4. any Contractor interpretation of or conclusion drawn from any Technical Data or any such other data, interpretations, opinions, or information.

#### 5.04 *Differing Subsurface or Physical Conditions*

- A. *Notice by Contractor:* If Contractor believes that any subsurface or physical condition that is uncovered or revealed at the Site:
1. is of such a nature as to establish that any Technical Data on which Contractor is entitled to rely as provided in Paragraph 5.03 is materially inaccurate;
  2. is of such a nature as to require a change in the Drawings or Specifications;
  3. differs materially from that shown or indicated in the Contract Documents; or
  4. is of an unusual nature, and differs materially from conditions ordinarily encountered and generally recognized as inherent in work of the character provided for in the Contract Documents;

then Contractor shall, promptly after becoming aware thereof and before further disturbing the subsurface or physical conditions or performing any Work in connection therewith (except in an emergency as required by Paragraph 7.15), notify Owner and Engineer in writing about such condition. Contractor shall not further disturb such condition or perform any Work in connection therewith (except with respect to an emergency) until receipt of a written statement permitting Contractor to do so.

- B. *Engineer's Review:* After receipt of written notice as required by the preceding paragraph, Engineer will promptly review the subsurface or physical condition in question; determine whether it is necessary for Owner to obtain additional exploration or tests with respect to the condition; conclude whether the condition falls within any one or more of the differing site condition categories in Paragraph 5.04.A; obtain any pertinent cost or schedule information from Contractor; prepare recommendations to Owner regarding the Contractor's resumption of Work in connection with the subsurface or physical condition in question and the need for any change in the Drawings or Specifications; and advise Owner in writing of Engineer's findings, conclusions, and recommendations.
- C. *Owner's Statement to Contractor Regarding Site Condition:* After receipt of Engineer's written findings, conclusions, and recommendations, Owner shall issue a written statement to Contractor (with a copy to Engineer) regarding the subsurface or physical condition in question, addressing the resumption of Work in connection with such condition, indicating whether any change in the Drawings or Specifications will be made, and adopting or rejecting Engineer's written findings, conclusions, and recommendations, in whole or in part.
- D. *Early Resumption of Work:* If at any time Engineer determines that Work in connection with the subsurface or physical condition in question may resume prior to completion of Engineer's review or Owner's issuance of its statement to Contractor, because the condition in question has been adequately documented, and analyzed on a preliminary basis, then the Engineer may at its discretion instruct Contractor to resume such Work.
- E. *Possible Price and Times Adjustments*
1. Contractor shall be entitled to an equitable adjustment in Contract Price or Contract Times, to the extent that the existence of a differing subsurface or physical condition, or any related delay, disruption, or interference, causes an increase or decrease in

Contractor's cost of, or time required for, performance of the Work; subject, however, to the following:

- a. Such condition must fall within any one or more of the categories described in Paragraph 5.04.A;
  - b. With respect to Work that is paid for on a unit price basis, any adjustment in Contract Price will be subject to the provisions of Paragraph 13.03; and,
  - c. Contractor's entitlement to an adjustment of the Contract Times is subject to the provisions of Paragraphs 4.05.D and 4.05.E.
2. Contractor shall not be entitled to any adjustment in the Contract Price or Contract Times with respect to a subsurface or physical condition if:
- a. Contractor knew of the existence of such condition at the time Contractor made a commitment to Owner with respect to Contract Price and Contract Times by the submission of a Bid or becoming bound under a negotiated contract, or otherwise;
  - b. The existence of such condition reasonably could have been discovered or revealed as a result of any examination, investigation, exploration, test, or study of the Site and contiguous areas expressly required by the Bidding Requirements or Contract Documents to be conducted by or for Contractor prior to Contractor's making such commitment; or
  - c. Contractor failed to give the written notice required by Paragraph 5.04.A.
3. If Owner and Contractor agree regarding Contractor's entitlement to and the amount or extent of any adjustment in the Contract Price or Contract Times, then any such adjustment will be set forth in a Change Order.
4. Contractor may submit a Change Proposal regarding its entitlement to or the amount or extent of any adjustment in the Contract Price or Contract Times, no later than 30 days after Owner's issuance of the Owner's written statement to Contractor regarding the subsurface or physical condition in question.
- F. *Underground Facilities; Hazardous Environmental Conditions*: Paragraph 5.05 governs rights and responsibilities regarding the presence or location of Underground Facilities. Paragraph 5.06 governs rights and responsibilities regarding Hazardous Environmental Conditions. The provisions of Paragraphs 5.03 and 5.04 are not applicable to the presence or location of Underground Facilities, or to Hazardous Environmental Conditions.

#### 5.05 *Underground Facilities*

- A. *Contractor's Responsibilities*: Unless it is otherwise expressly provided in the Supplementary Conditions, the cost of all of the following are included in the Contract Price, and Contractor shall have full responsibility for:
1. reviewing and checking all information and data regarding existing Underground Facilities at the Site;
  2. complying with applicable state and local utility damage prevention Laws and Regulations;

3. verifying the actual location of those Underground Facilities shown or indicated in the Contract Documents as being within the area affected by the Work, by exposing such Underground Facilities during the course of construction;
  4. coordination of the Work with the owners (including Owner) of such Underground Facilities, during construction; and
  5. the safety and protection of all existing Underground Facilities at the Site, and repairing any damage thereto resulting from the Work.
- B. *Notice by Contractor:* If Contractor believes that an Underground Facility that is uncovered or revealed at the Site was not shown or indicated on the Drawings, or was not shown or indicated on the Drawings with reasonable accuracy, then Contractor shall, promptly after becoming aware thereof and before further disturbing conditions affected thereby or performing any Work in connection therewith (except in an emergency as required by Paragraph 7.15), notify Owner and Engineer in writing regarding such Underground Facility.
- C. *Engineer's Review:* Engineer will:
1. promptly review the Underground Facility and conclude whether such Underground Facility was not shown or indicated on the Drawings, or was not shown or indicated with reasonable accuracy;
  2. identify and communicate with the owner of the Underground Facility; prepare recommendations to Owner (and if necessary issue any preliminary instructions to Contractor) regarding the Contractor's resumption of Work in connection with the Underground Facility in question;
  3. obtain any pertinent cost or schedule information from Contractor; determine the extent, if any, to which a change is required in the Drawings or Specifications to reflect and document the consequences of the existence or location of the Underground Facility; and
  4. advise Owner in writing of Engineer's findings, conclusions, and recommendations.

During such time, Contractor shall be responsible for the safety and protection of such Underground Facility.

- D. *Owner's Statement to Contractor Regarding Underground Facility:* After receipt of Engineer's written findings, conclusions, and recommendations, Owner shall issue a written statement to Contractor (with a copy to Engineer) regarding the Underground Facility in question addressing the resumption of Work in connection with such Underground Facility, indicating whether any change in the Drawings or Specifications will be made, and adopting or rejecting Engineer's written findings, conclusions, and recommendations in whole or in part.
- E. *Early Resumption of Work:* If at any time Engineer determines that Work in connection with the Underground Facility may resume prior to completion of Engineer's review or Owner's issuance of its statement to Contractor, because the Underground Facility in question and conditions affected by its presence have been adequately documented, and analyzed on a preliminary basis, then the Engineer may at its discretion instruct Contractor to resume such Work.
- F. *Possible Price and Times Adjustments*
1. Contractor shall be entitled to an equitable adjustment in the Contract Price or Contract Times, to the extent that any existing Underground Facility at the Site that was not shown

or indicated on the Drawings, or was not shown or indicated with reasonable accuracy, or any related delay, disruption, or interference, causes an increase or decrease in Contractor's cost of, or time required for, performance of the Work; subject, however, to the following:

- a. With respect to Work that is paid for on a unit price basis, any adjustment in Contract Price will be subject to the provisions of Paragraph 13.03;
  - b. Contractor's entitlement to an adjustment of the Contract Times is subject to the provisions of Paragraphs 4.05.D and 4.05.E; and
  - c. Contractor gave the notice required in Paragraph 5.05.B.
2. If Owner and Contractor agree regarding Contractor's entitlement to and the amount or extent of any adjustment in the Contract Price or Contract Times, then any such adjustment will be set forth in a Change Order.
  3. Contractor may submit a Change Proposal regarding its entitlement to or the amount or extent of any adjustment in the Contract Price or Contract Times, no later than 30 days after Owner's issuance of the Owner's written statement to Contractor regarding the Underground Facility in question.
  4. The information and data shown or indicated on the Drawings with respect to existing Underground Facilities at the Site is based on information and data (a) furnished by the owners of such Underground Facilities, or by others, (b) obtained from available records, or (c) gathered in an investigation conducted in accordance with the current edition of ASCE 38, Standard Guideline for the Collection and Depiction of Existing Subsurface Utility Data, by the American Society of Civil Engineers. If such information or data is incorrect or incomplete, Contractor's remedies are limited to those set forth in this Paragraph 5.05.F.

5.06 *Hazardous Environmental Conditions at Site*

A. *Reports and Drawings:* The Supplementary Conditions identify:

1. those reports known to Owner relating to Hazardous Environmental Conditions that have been identified at or adjacent to the Site;
2. drawings known to Owner relating to Hazardous Environmental Conditions that have been identified at or adjacent to the Site; and
3. Technical Data contained in such reports and drawings.

B. *Reliance by Contractor on Technical Data Authorized:* Contractor may rely upon the accuracy of the Technical Data expressly identified in the Supplementary Conditions with respect to such reports and drawings, but such reports and drawings are not Contract Documents. If no such express identification has been made, then Contractor may rely on the accuracy of the Technical Data as defined in Paragraph 1.01.A.46.b. Except for such reliance on Technical Data, Contractor may not rely upon or make any claim against Owner or Engineer, or any of their officers, directors, members, partners, employees, agents, consultants, or subcontractors, with respect to:

1. the completeness of such reports and drawings for Contractor's purposes, including, but not limited to, any aspects of the means, methods, techniques, sequences and procedures

- of construction to be employed by Contractor, and safety precautions and programs incident thereto;
2. other data, interpretations, opinions, and information contained in such reports or shown or indicated in such drawings; or
  3. any Contractor interpretation of or conclusion drawn from any Technical Data or any such other data, interpretations, opinions or information.
- C. Contractor shall not be responsible for removing or remediating any Hazardous Environmental Condition encountered, uncovered, or revealed at the Site unless such removal or remediation is expressly identified in the Contract Documents to be within the scope of the Work.
- D. Contractor shall be responsible for controlling, containing, and duly removing all Constituents of Concern brought to the Site by Contractor, Subcontractors, Suppliers, or anyone else for whom Contractor is responsible, and for any associated costs; and for the costs of removing and remediating any Hazardous Environmental Condition created by the presence of any such Constituents of Concern.
- E. If Contractor encounters, uncovers, or reveals a Hazardous Environmental Condition whose removal or remediation is not expressly identified in the Contract Documents as being within the scope of the Work, or if Contractor or anyone for whom Contractor is responsible creates a Hazardous Environmental Condition, then Contractor shall immediately: (1) secure or otherwise isolate such condition; (2) stop all Work in connection with such condition and in any area affected thereby (except in an emergency as required by Paragraph 7.15); and (3) notify Owner and Engineer (and promptly thereafter confirm such notice in writing). Owner shall promptly consult with Engineer concerning the necessity for Owner to retain a qualified expert to evaluate such condition or take corrective action, if any. Promptly after consulting with Engineer, Owner shall take such actions as are necessary to permit Owner to timely obtain required permits and provide Contractor the written notice required by Paragraph 5.06.F. If Contractor or anyone for whom Contractor is responsible created the Hazardous Environmental Condition in question, then Owner may remove and remediate the Hazardous Environmental Condition, and impose a set-off against payments to account for the associated costs.
- F. Contractor shall not resume Work in connection with such Hazardous Environmental Condition or in any affected area until after Owner has obtained any required permits related thereto, and delivered written notice to Contractor either (1) specifying that such condition and any affected area is or has been rendered safe for the resumption of Work, or (2) specifying any special conditions under which such Work may be resumed safely.
- G. If Owner and Contractor cannot agree as to entitlement to or on the amount or extent, if any, of any adjustment in Contract Price or Contract Times, as a result of such Work stoppage, such special conditions under which Work is agreed to be resumed by Contractor, or any costs or expenses incurred in response to the Hazardous Environmental Condition, then within 30 days of Owner's written notice regarding the resumption of Work, Contractor may submit a Change Proposal, or Owner may impose a set-off. Entitlement to any such adjustment is subject to the provisions of Paragraphs 4.05.D, 4.05.E, 11.07, and 11.08.
- H. If, after receipt of such written notice, Contractor does not agree to resume such Work based on a reasonable belief it is unsafe, or does not agree to resume such Work under such special

conditions, then Owner may order the portion of the Work that is in the area affected by such condition to be deleted from the Work, following the contractual change procedures in Article 11. Owner may have such deleted portion of the Work performed by Owner's own forces or others in accordance with Article 8.

- I. To the fullest extent permitted by Laws and Regulations, Owner shall indemnify and hold harmless Contractor, Subcontractors, and Engineer, and the officers, directors, members, partners, employees, agents, consultants, and subcontractors of each and any of them, from and against all claims, costs, losses, and damages (including but not limited to all fees and charges of engineers, architects, attorneys, and other professionals, and all court, arbitration, or other dispute resolution costs) arising out of or relating to a Hazardous Environmental Condition, provided that such Hazardous Environmental Condition (1) was not shown or indicated in the Drawings, Specifications, or other Contract Documents, identified as Technical Data entitled to limited reliance pursuant to Paragraph 5.06.B, or identified in the Contract Documents to be included within the scope of the Work, and (2) was not created by Contractor or by anyone for whom Contractor is responsible. Nothing in this Paragraph 5.06.I obligates Owner to indemnify any individual or entity from and against the consequences of that individual's or entity's own negligence.
- J. To the fullest extent permitted by Laws and Regulations, Contractor shall indemnify and hold harmless Owner and Engineer, and the officers, directors, members, partners, employees, agents, consultants, and subcontractors of each and any of them, from and against all claims, costs, losses, and damages (including but not limited to all fees and charges of engineers, architects, attorneys, and other professionals and all court or arbitration or other dispute resolution costs) arising out of or relating to the failure to control, contain, or remove a Constituent of Concern brought to the Site by Contractor or by anyone for whom Contractor is responsible, or to a Hazardous Environmental Condition created by Contractor or by anyone for whom Contractor is responsible. Nothing in this Paragraph 5.06.J obligates Contractor to indemnify any individual or entity from and against the consequences of that individual's or entity's own negligence.
- K. The provisions of Paragraphs 5.03, 5.04, and 5.05 do not apply to the presence of Constituents of Concern or to a Hazardous Environmental Condition uncovered or revealed at the Site.

## **ARTICLE 6—BONDS AND INSURANCE**

### **6.01 *Performance, Payment, and Other Bonds***

- A. Contractor shall furnish a performance bond and a payment bond, each in an amount at least equal to the Contract Price, as security for the faithful performance and payment of Contractor's obligations under the Contract. These bonds must remain in effect until one year after the date when final payment becomes due or until completion of the correction period specified in Paragraph 15.08, whichever is later, except as provided otherwise by Laws or Regulations, the terms of a prescribed bond form, the Supplementary Conditions, or other provisions of the Contract.
- B. Contractor shall also furnish such other bonds (if any) as are required by the Supplementary Conditions or other provisions of the Contract.
- C. All bonds must be in the form included in the Bidding Documents or otherwise specified by Owner prior to execution of the Contract, except as provided otherwise by Laws or

Regulations, and must be issued and signed by a surety named in “Companies Holding Certificates of Authority as Acceptable Sureties on Federal Bonds and as Acceptable Reinsuring Companies” as published in Department Circular 570 (as amended and supplemented) by the Bureau of the Fiscal Service, U.S. Department of the Treasury. A bond signed by an agent or attorney-in-fact must be accompanied by a certified copy of that individual’s authority to bind the surety. The evidence of authority must show that it is effective on the date the agent or attorney-in-fact signed the accompanying bond.

- D. Contractor shall obtain the required bonds from surety companies that are duly licensed or authorized, in the state or jurisdiction in which the Project is located, to issue bonds in the required amounts.
- E. If the surety on a bond furnished by Contractor is declared bankrupt or becomes insolvent, or the surety ceases to meet the requirements above, then Contractor shall promptly notify Owner and Engineer in writing and shall, within 20 days after the event giving rise to such notification, provide another bond and surety, both of which must comply with the bond and surety requirements above.
- F. If Contractor has failed to obtain a required bond, Owner may exclude the Contractor from the Site and exercise Owner’s termination rights under Article 16.
- G. Upon request to Owner from any Subcontractor, Supplier, or other person or entity claiming to have furnished labor, services, materials, or equipment used in the performance of the Work, Owner shall provide a copy of the payment bond to such person or entity.
- H. Upon request to Contractor from any Subcontractor, Supplier, or other person or entity claiming to have furnished labor, services, materials, or equipment used in the performance of the Work, Contractor shall provide a copy of the payment bond to such person or entity.

#### 6.02 *Insurance—General Provisions*

- A. Owner and Contractor shall obtain and maintain insurance as required in this article and in the Supplementary Conditions.
- B. All insurance required by the Contract to be purchased and maintained by Owner or Contractor shall be obtained from insurance companies that are duly licensed or authorized in the state or jurisdiction in which the Project is located to issue insurance policies for the required limits and coverages. Unless a different standard is indicated in the Supplementary Conditions, all companies that provide insurance policies required under this Contract shall have an A.M. Best rating of A-VII or better.
- C. Alternative forms of insurance coverage, including but not limited to self-insurance and “Occupational Accident and Excess Employer’s Indemnity Policies,” are not sufficient to meet the insurance requirements of this Contract, unless expressly allowed in the Supplementary Conditions.
- D. Contractor shall deliver to Owner, with copies to each additional insured identified in the Contract, certificates of insurance and endorsements establishing that Contractor has obtained and is maintaining the policies and coverages required by the Contract. Upon request by Owner or any other insured, Contractor shall also furnish other evidence of such required insurance, including but not limited to copies of policies, documentation of applicable self-insured retentions (if allowed) and deductibles, full disclosure of all relevant exclusions, and evidence of insurance required to be purchased and maintained by

Subcontractors or Suppliers. In any documentation furnished under this provision, Contractor, Subcontractors, and Suppliers may block out (redact) (1) any confidential premium or pricing information and (2) any wording specific to a project or jurisdiction other than those applicable to this Contract.

- E. Owner shall deliver to Contractor, with copies to each additional insured identified in the Contract, certificates of insurance and endorsements establishing that Owner has obtained and is maintaining the policies and coverages required of Owner by the Contract (if any). Upon request by Contractor or any other insured, Owner shall also provide other evidence of such required insurance (if any), including but not limited to copies of policies, documentation of applicable self-insured retentions (if allowed) and deductibles, and full disclosure of all relevant exclusions. In any documentation furnished under this provision, Owner may block out (redact) (1) any confidential premium or pricing information and (2) any wording specific to a project or jurisdiction other than those relevant to this Contract.
- F. Failure of Owner or Contractor to demand such certificates or other evidence of the other party's full compliance with these insurance requirements, or failure of Owner or Contractor to identify a deficiency in compliance from the evidence provided, will not be construed as a waiver of the other party's obligation to obtain and maintain such insurance.
- G. In addition to the liability insurance required to be provided by Contractor, the Owner, at Owner's option, may purchase and maintain Owner's own liability insurance. Owner's liability policies, if any, operate separately and independently from policies required to be provided by Contractor, and Contractor cannot rely upon Owner's liability policies for any of Contractor's obligations to the Owner, Engineer, or third parties.
- H. Contractor shall require:
  - 1. Subcontractors to purchase and maintain worker's compensation, commercial general liability, and other insurance that is appropriate for their participation in the Project, and to name as additional insureds Owner and Engineer (and any other individuals or entities identified in the Supplementary Conditions as additional insureds on Contractor's liability policies) on each Subcontractor's commercial general liability insurance policy; and
  - 2. Suppliers to purchase and maintain insurance that is appropriate for their participation in the Project.
- I. If either party does not purchase or maintain the insurance required of such party by the Contract, such party shall notify the other party in writing of such failure to purchase prior to the start of the Work, or of such failure to maintain prior to any change in the required coverage.
- J. If Contractor has failed to obtain and maintain required insurance, Contractor's entitlement to enter or remain at the Site will end immediately, and Owner may impose an appropriate set-off against payment for any associated costs (including but not limited to the cost of purchasing necessary insurance coverage), and exercise Owner's termination rights under Article 16.
- K. Without prejudice to any other right or remedy, if a party has failed to obtain required insurance, the other party may elect (but is in no way obligated) to obtain equivalent insurance to protect such other party's interests at the expense of the party who was required to provide such coverage, and the Contract Price will be adjusted accordingly.

- L. Owner does not represent that insurance coverage and limits established in this Contract necessarily will be adequate to protect Contractor or Contractor's interests. Contractor is responsible for determining whether such coverage and limits are adequate to protect its interests, and for obtaining and maintaining any additional insurance that Contractor deems necessary.
- M. The insurance and insurance limits required herein will not be deemed as a limitation on Contractor's liability, or that of its Subcontractors or Suppliers, under the indemnities granted to Owner and other individuals and entities in the Contract or otherwise.
- N. All the policies of insurance required to be purchased and maintained under this Contract will contain a provision or endorsement that the coverage afforded will not be canceled, or renewal refused, until at least 10 days prior written notice has been given to the purchasing policyholder. Within three days of receipt of any such written notice, the purchasing policyholder shall provide a copy of the notice to each other insured and Engineer.

6.03 *Contractor's Insurance*

- A. *Required Insurance:* Contractor shall purchase and maintain Worker's Compensation, Commercial General Liability, and other insurance pursuant to the specific requirements of the Supplementary Conditions.
- B. *General Provisions:* The policies of insurance required by this Paragraph 6.03 as supplemented must:
  - 1. include at least the specific coverages required;
  - 2. be written for not less than the limits provided, or those required by Laws or Regulations, whichever is greater;
  - 3. remain in effect at least until the Work is complete (as set forth in Paragraph 15.06.D), and longer if expressly required elsewhere in this Contract, and at all times thereafter when Contractor may be correcting, removing, or replacing defective Work as a warranty or correction obligation, or otherwise, or returning to the Site to conduct other tasks arising from the Contract;
  - 4. apply with respect to the performance of the Work, whether such performance is by Contractor, any Subcontractor or Supplier, or by anyone directly or indirectly employed by any of them to perform any of the Work, or by anyone for whose acts any of them may be liable; and
  - 5. include all necessary endorsements to support the stated requirements.
- C. *Additional Insureds:* The Contractor's commercial general liability, automobile liability, employer's liability, umbrella or excess, pollution liability, and unmanned aerial vehicle liability policies, if required by this Contract, must:
  - 1. include and list as additional insureds Owner and Engineer, and any individuals or entities identified as additional insureds in the Supplementary Conditions;
  - 2. include coverage for the respective officers, directors, members, partners, employees, and consultants of all such additional insureds;
  - 3. afford primary coverage to these additional insureds for all claims covered thereby (including as applicable those arising from both ongoing and completed operations);

4. not seek contribution from insurance maintained by the additional insured; and
5. as to commercial general liability insurance, apply to additional insureds with respect to liability caused in whole or in part by Contractor's acts or omissions, or the acts and omissions of those working on Contractor's behalf, in the performance of Contractor's operations.

#### 6.04 *Builder's Risk and Other Property Insurance*

- A. *Builder's Risk*: Unless otherwise provided in the Supplementary Conditions, Contractor shall purchase and maintain builder's risk insurance upon the Work on a completed value basis, in the amount of the Work's full insurable replacement cost (subject to such deductible amounts as may be provided in the Supplementary Conditions or required by Laws and Regulations). The specific requirements applicable to the builder's risk insurance are set forth in the Supplementary Conditions.
- B. *Property Insurance for Facilities of Owner Where Work Will Occur*: Owner is responsible for obtaining and maintaining property insurance covering each existing structure, building, or facility in which any part of the Work will occur, or to which any part of the Work will attach or be adjoined. Such property insurance will be written on a special perils (all-risk) form, on a replacement cost basis, providing coverage consistent with that required for the builder's risk insurance, and will be maintained until the Work is complete, as set forth in Paragraph 15.06.D.
- C. *Property Insurance for Substantially Complete Facilities*: Promptly after Substantial Completion, and before actual occupancy or use of the substantially completed Work, Owner will obtain property insurance for such substantially completed Work, and maintain such property insurance at least until the Work is complete, as set forth in Paragraph 15.06.D. Such property insurance will be written on a special perils (all-risk) form, on a replacement cost basis, and provide coverage consistent with that required for the builder's risk insurance. The builder's risk insurance may terminate upon written confirmation of Owner's procurement of such property insurance.
- D. *Partial Occupancy or Use by Owner*: If Owner will occupy or use a portion or portions of the Work prior to Substantial Completion of all the Work, as provided in Paragraph 15.04, then Owner (directly, if it is the purchaser of the builder's risk policy, or through Contractor) will provide advance notice of such occupancy or use to the builder's risk insurer, and obtain an endorsement consenting to the continuation of coverage prior to commencing such partial occupancy or use.
- E. *Insurance of Other Property; Additional Insurance*: If the express insurance provisions of the Contract do not require or address the insurance of a property item or interest, then the entity or individual owning such property item will be responsible for insuring it. If Contractor elects to obtain other special insurance to be included in or supplement the builder's risk or property insurance policies provided under this Paragraph 6.04, it may do so at Contractor's expense.

#### 6.05 *Property Losses; Subrogation*

- A. The builder's risk insurance policy purchased and maintained in accordance with Paragraph 6.04 (or an installation floater policy if authorized by the Supplementary Conditions), will contain provisions to the effect that in the event of payment of any loss or damage the insurer will have no rights of recovery against any insureds thereunder, or against

Engineer or its consultants, or their officers, directors, members, partners, employees, agents, consultants, or subcontractors.

1. Owner and Contractor waive all rights against each other and the respective officers, directors, members, partners, employees, agents, consultants, and subcontractors of each and any of them, for all losses and damages caused by, arising out of, or resulting from any of the perils, risks, or causes of loss covered by such policies and any other property insurance applicable to the Work; and, in addition, waive all such rights against Engineer, its consultants, all individuals or entities identified in the Supplementary Conditions as builder's risk or installation floater insureds, and the officers, directors, members, partners, employees, agents, consultants, and subcontractors of each and any of them, under such policies for losses and damages so caused.
  2. None of the above waivers extends to the rights that any party making such waiver may have to the proceeds of insurance held by Owner or Contractor as trustee or fiduciary, or otherwise payable under any policy so issued.
- B. Any property insurance policy maintained by Owner covering any loss, damage, or consequential loss to Owner's existing structures, buildings, or facilities in which any part of the Work will occur, or to which any part of the Work will attach or adjoin; to adjacent structures, buildings, or facilities of Owner; or to part or all of the completed or substantially completed Work, during partial occupancy or use pursuant to Paragraph 15.04, after Substantial Completion pursuant to Paragraph 15.03, or after final payment pursuant to Paragraph 15.06, will contain provisions to the effect that in the event of payment of any loss or damage the insurer will have no rights of recovery against any insureds thereunder, or against Contractor, Subcontractors, or Engineer, or the officers, directors, members, partners, employees, agents, consultants, or subcontractors of each and any of them, and that the insured is allowed to waive the insurer's rights of subrogation in a written contract executed prior to the loss, damage, or consequential loss.
1. Owner waives all rights against Contractor, Subcontractors, and Engineer, and the officers, directors, members, partners, employees, agents, consultants and subcontractors of each and any of them, for all losses and damages caused by, arising out of, or resulting from fire or any of the perils, risks, or causes of loss covered by such policies.
- C. The waivers in this Paragraph 6.05 include the waiver of rights due to business interruption, loss of use, or other consequential loss extending beyond direct physical loss or damage to Owner's property or the Work caused by, arising out of, or resulting from fire or other insured peril, risk, or cause of loss.
- D. Contractor shall be responsible for assuring that each Subcontract contains provisions whereby the Subcontractor waives all rights against Owner, Contractor, all individuals or entities identified in the Supplementary Conditions as insureds, the Engineer and its consultants, and the officers, directors, members, partners, employees, agents, consultants, and subcontractors of each and any of them, for all losses and damages caused by, arising out of, relating to, or resulting from fire or other peril, risk, or cause of loss covered by builder's risk insurance, installation floater, and any other property insurance applicable to the Work.

6.06 *Receipt and Application of Property Insurance Proceeds*

- A. Any insured loss under the builder's risk and other policies of property insurance required by Paragraph 6.04 will be adjusted and settled with the named insured that purchased the policy. Such named insured shall act as fiduciary for the other insureds, and give notice to such other insureds that adjustment and settlement of a claim is in progress. Any other insured may state its position regarding a claim for insured loss in writing within 15 days after notice of such claim.
- B. Proceeds for such insured losses may be made payable by the insurer either jointly to multiple insureds, or to the named insured that purchased the policy in its own right and as fiduciary for other insureds, subject to the requirements of any applicable mortgage clause. A named insured receiving insurance proceeds under the builder's risk and other policies of insurance required by Paragraph 6.04 shall maintain such proceeds in a segregated account, and distribute such proceeds in accordance with such agreement as the parties in interest may reach, or as otherwise required under the dispute resolution provisions of this Contract or applicable Laws and Regulations.
- C. If no other special agreement is reached, Contractor shall repair or replace the damaged Work, using allocated insurance proceeds.

**ARTICLE 7—CONTRACTOR'S RESPONSIBILITIES**

7.01 *Contractor's Means and Methods of Construction*

- A. Contractor shall be solely responsible for the means, methods, techniques, sequences, and procedures of construction.
- B. If the Contract Documents note, or Contractor determines, that professional engineering or other design services are needed to carry out Contractor's responsibilities for construction means, methods, techniques, sequences, and procedures, or for Site safety, then Contractor shall cause such services to be provided by a properly licensed design professional, at Contractor's expense. Such services are not Owner-delegated professional design services under this Contract, and neither Owner nor Engineer has any responsibility with respect to (1) Contractor's determination of the need for such services, (2) the qualifications or licensing of the design professionals retained or employed by Contractor, (3) the performance of such services, or (4) any errors, omissions, or defects in such services.

7.02 *Supervision and Superintendence*

- A. Contractor shall supervise, inspect, and direct the Work competently and efficiently, devoting such attention thereto and applying such skills and expertise as may be necessary to perform the Work in accordance with the Contract Documents.
- B. At all times during the progress of the Work, Contractor shall assign a competent resident superintendent who will not be replaced without written notice to Owner and Engineer except under extraordinary circumstances.

7.03 *Labor; Working Hours*

- A. Contractor shall provide competent, suitably qualified personnel to survey and lay out the Work and perform construction as required by the Contract Documents. Contractor shall maintain good discipline and order at the Site.

- B. Contractor shall be fully responsible to Owner and Engineer for all acts and omissions of Contractor's employees; of Suppliers and Subcontractors, and their employees; and of any other individuals or entities performing or furnishing any of the Work, just as Contractor is responsible for Contractor's own acts and omissions.
- C. Except as otherwise required for the safety or protection of persons or the Work or property at the Site or adjacent thereto, and except as otherwise stated in the Contract Documents, all Work at the Site will be performed during regular working hours, Monday through Friday. Contractor will not perform Work on a Saturday, Sunday, or any legal holiday. Contractor may perform Work outside regular working hours or on Saturdays, Sundays, or legal holidays only with Owner's written consent, which will not be unreasonably withheld.

7.04 *Services, Materials, and Equipment*

- A. Unless otherwise specified in the Contract Documents, Contractor shall provide and assume full responsibility for all services, materials, equipment, labor, transportation, construction equipment and machinery, tools, appliances, fuel, power, light, heat, telephone, water, sanitary facilities, temporary facilities, and all other facilities and incidentals necessary for the performance, testing, start up, and completion of the Work, whether or not such items are specifically called for in the Contract Documents.
- B. All materials and equipment incorporated into the Work must be new and of good quality, except as otherwise provided in the Contract Documents. All special warranties and guarantees required by the Specifications will expressly run to the benefit of Owner. If required by Engineer, Contractor shall furnish satisfactory evidence (including reports of required tests) as to the source, kind, and quality of materials and equipment.
- C. All materials and equipment must be stored, applied, installed, connected, erected, protected, used, cleaned, and conditioned in accordance with instructions of the applicable Supplier, except as otherwise may be provided in the Contract Documents.

7.05 *"Or Equals"*

- A. *Contractor's Request; Governing Criteria:* Whenever an item of equipment or material is specified or described in the Contract Documents by using the names of one or more proprietary items or specific Suppliers, the Contract Price has been based upon Contractor furnishing such item as specified. The specification or description of such an item is intended to establish the type, function, appearance, and quality required. Unless the specification or description contains or is followed by words reading that no like, equivalent, or "or equal" item is permitted, Contractor may request that Engineer authorize the use of other items of equipment or material, or items from other proposed Suppliers, under the circumstances described below.
  - 1. If Engineer in its sole discretion determines that an item of equipment or material proposed by Contractor is functionally equal to that named and sufficiently similar so that no change in related Work will be required, Engineer will deem it an "or equal" item. For the purposes of this paragraph, a proposed item of equipment or material will be considered functionally equal to an item so named if:
    - a. in the exercise of reasonable judgment Engineer determines that the proposed item:
      - 1) is at least equal in materials of construction, quality, durability, appearance, strength, and design characteristics;

- 2) will reliably perform at least equally well the function and achieve the results imposed by the design concept of the completed Project as a functioning whole;
  - 3) has a proven record of performance and availability of responsive service; and
  - 4) is not objectionable to Owner.
- b. Contractor certifies that, if the proposed item is approved and incorporated into the Work:
- 1) there will be no increase in cost to the Owner or increase in Contract Times; and
  - 2) the item will conform substantially to the detailed requirements of the item named in the Contract Documents.
- B. *Contractor's Expense:* Contractor shall provide all data in support of any proposed "or equal" item at Contractor's expense.
- C. *Engineer's Evaluation and Determination:* Engineer will be allowed a reasonable time to evaluate each "or-equal" request. Engineer may require Contractor to furnish additional data about the proposed "or-equal" item. Engineer will be the sole judge of acceptability. No "or-equal" item will be ordered, furnished, installed, or utilized until Engineer's review is complete and Engineer determines that the proposed item is an "or-equal," which will be evidenced by an approved Shop Drawing or other written communication. Engineer will advise Contractor in writing of any negative determination.
- D. *Effect of Engineer's Determination:* Neither approval nor denial of an "or-equal" request will result in any change in Contract Price. The Engineer's denial of an "or-equal" request will be final and binding, and may not be reversed through an appeal under any provision of the Contract.
- E. *Treatment as a Substitution Request:* If Engineer determines that an item of equipment or material proposed by Contractor does not qualify as an "or-equal" item, Contractor may request that Engineer consider the item a proposed substitute pursuant to Paragraph 7.06.

#### 7.06 Substitutes

- A. *Contractor's Request; Governing Criteria:* Unless the specification or description of an item of equipment or material required to be furnished under the Contract Documents contains or is followed by words reading that no substitution is permitted, Contractor may request that Engineer authorize the use of other items of equipment or material under the circumstances described below. To the extent possible such requests must be made before commencement of related construction at the Site.
1. Contractor shall submit sufficient information as provided below to allow Engineer to determine if the item of material or equipment proposed is functionally equivalent to that named and an acceptable substitute therefor. Engineer will not accept requests for review of proposed substitute items of equipment or material from anyone other than Contractor.
  2. The requirements for review by Engineer will be as set forth in Paragraph 7.06.B, as supplemented by the Specifications, and as Engineer may decide is appropriate under the circumstances.

3. Contractor shall make written application to Engineer for review of a proposed substitute item of equipment or material that Contractor seeks to furnish or use. The application:
  - a. will certify that the proposed substitute item will:
    - 1) perform adequately the functions and achieve the results called for by the general design;
    - 2) be similar in substance to the item specified; and
    - 3) be suited to the same use as the item specified.
  - b. will state:
    - 1) the extent, if any, to which the use of the proposed substitute item will necessitate a change in Contract Times;
    - 2) whether use of the proposed substitute item in the Work will require a change in any of the Contract Documents (or in the provisions of any other direct contract with Owner for other work on the Project) to adapt the design to the proposed substitute item; and
    - 3) whether incorporation or use of the proposed substitute item in connection with the Work is subject to payment of any license fee or royalty.
  - c. will identify:
    - 1) all variations of the proposed substitute item from the item specified; and
    - 2) available engineering, sales, maintenance, repair, and replacement services.
  - d. will contain an itemized estimate of all costs or credits that will result directly or indirectly from use of such substitute item, including but not limited to changes in Contract Price, shared savings, costs of redesign, and claims of other contractors affected by any resulting change.
- B. *Engineer's Evaluation and Determination*: Engineer will be allowed a reasonable time to evaluate each substitute request, and to obtain comments and direction from Owner. Engineer may require Contractor to furnish additional data about the proposed substitute item. Engineer will be the sole judge of acceptability. No substitute will be ordered, furnished, installed, or utilized until Engineer's review is complete and Engineer determines that the proposed item is an acceptable substitute. Engineer's determination will be evidenced by a Field Order or a proposed Change Order accounting for the substitution itself and all related impacts, including changes in Contract Price or Contract Times. Engineer will advise Contractor in writing of any negative determination.
- C. *Special Guarantee*: Owner may require Contractor to furnish at Contractor's expense a special performance guarantee or other surety with respect to any substitute.
- D. *Reimbursement of Engineer's Cost*: Engineer will record Engineer's costs in evaluating a substitute proposed or submitted by Contractor. Whether or not Engineer approves a substitute so proposed or submitted by Contractor, Contractor shall reimburse Owner for the reasonable charges of Engineer for evaluating each such proposed substitute. Contractor shall also reimburse Owner for the reasonable charges of Engineer for making changes in the Contract Documents (or in the provisions of any other direct contract with Owner) resulting from the acceptance of each proposed substitute.

- E. *Contractor's Expense*: Contractor shall provide all data in support of any proposed substitute at Contractor's expense.
- F. *Effect of Engineer's Determination*: If Engineer approves the substitution request, Contractor shall execute the proposed Change Order and proceed with the substitution. The Engineer's denial of a substitution request will be final and binding, and may not be reversed through an appeal under any provision of the Contract. Contractor may challenge the scope of reimbursement costs imposed under Paragraph 7.06.D, by timely submittal of a Change Proposal.

7.07 *Concerning Subcontractors and Suppliers*

- A. Contractor may retain Subcontractors and Suppliers for the performance of parts of the Work. Such Subcontractors and Suppliers must be acceptable to Owner. The Contractor's retention of a Subcontractor or Supplier for the performance of parts of the Work will not relieve Contractor's obligation to Owner to perform and complete the Work in accordance with the Contract Documents.
- B. Contractor shall retain specific Subcontractors and Suppliers for the performance of designated parts of the Work if required by the Contract to do so.
- C. Subsequent to the submittal of Contractor's Bid or final negotiation of the terms of the Contract, Owner may not require Contractor to retain any Subcontractor or Supplier to furnish or perform any of the Work against which Contractor has reasonable objection.
- D. Prior to entry into any binding subcontract or purchase order, Contractor shall submit to Owner the identity of the proposed Subcontractor or Supplier (unless Owner has already deemed such proposed Subcontractor or Supplier acceptable during the bidding process or otherwise). Such proposed Subcontractor or Supplier shall be deemed acceptable to Owner unless Owner raises a substantive, reasonable objection within 5 days.
- E. Owner may require the replacement of any Subcontractor or Supplier. Owner also may require Contractor to retain specific replacements; provided, however, that Owner may not require a replacement to which Contractor has a reasonable objection. If Contractor has submitted the identity of certain Subcontractors or Suppliers for acceptance by Owner, and Owner has accepted it (either in writing or by failing to make written objection thereto), then Owner may subsequently revoke the acceptance of any such Subcontractor or Supplier so identified solely on the basis of substantive, reasonable objection after due investigation. Contractor shall submit an acceptable replacement for the rejected Subcontractor or Supplier.
- F. If Owner requires the replacement of any Subcontractor or Supplier retained by Contractor to perform any part of the Work, then Contractor shall be entitled to an adjustment in Contract Price or Contract Times, with respect to the replacement; and Contractor shall initiate a Change Proposal for such adjustment within 30 days of Owner's requirement of replacement.
- G. No acceptance by Owner of any such Subcontractor or Supplier, whether initially or as a replacement, will constitute a waiver of the right of Owner to the completion of the Work in accordance with the Contract Documents.

- H. On a monthly basis, Contractor shall submit to Engineer a complete list of all Subcontractors and Suppliers having a direct contract with Contractor, and of all other Subcontractors and Suppliers known to Contractor at the time of submittal.
- I. Contractor shall be solely responsible for scheduling and coordinating the work of Subcontractors and Suppliers.
- J. The divisions and sections of the Specifications and the identifications of any Drawings do not control Contractor in dividing the Work among Subcontractors or Suppliers, or in delineating the Work to be performed by any specific trade.
- K. All Work performed for Contractor by a Subcontractor or Supplier must be pursuant to an appropriate contractual agreement that specifically binds the Subcontractor or Supplier to the applicable terms and conditions of the Contract for the benefit of Owner and Engineer.
- L. Owner may furnish to any Subcontractor or Supplier, to the extent practicable, information about amounts paid to Contractor for Work performed for Contractor by the Subcontractor or Supplier.
- M. Contractor shall restrict all Subcontractors and Suppliers from communicating with Engineer or Owner, except through Contractor or in case of an emergency, or as otherwise expressly allowed in this Contract.

7.08 *Patent Fees and Royalties*

- A. Contractor shall pay all license fees and royalties and assume all costs incident to the use in the performance of the Work or the incorporation in the Work of any invention, design, process, product, or device which is the subject of patent rights or copyrights held by others. If an invention, design, process, product, or device is specified in the Contract Documents for use in the performance of the Work and if, to the actual knowledge of Owner or Engineer, its use is subject to patent rights or copyrights calling for the payment of any license fee or royalty to others, the existence of such rights will be disclosed in the Contract Documents.
- B. To the fullest extent permitted by Laws and Regulations, Owner shall indemnify and hold harmless Contractor, and its officers, directors, members, partners, employees, agents, consultants, and subcontractors, from and against all claims, costs, losses, and damages (including but not limited to all fees and charges of engineers, architects, attorneys, and other professionals, and all court or arbitration or other dispute resolution costs) arising out of or relating to any infringement of patent rights or copyrights incident to the use in the performance of the Work or resulting from the incorporation in the Work of any invention, design, process, product, or device specified in the Contract Documents, but not identified as being subject to payment of any license fee or royalty to others required by patent rights or copyrights.
- C. To the fullest extent permitted by Laws and Regulations, Contractor shall indemnify and hold harmless Owner and Engineer, and the officers, directors, members, partners, employees, agents, consultants and subcontractors of each and any of them, from and against all claims, costs, losses, and damages (including but not limited to all fees and charges of engineers, architects, attorneys, and other professionals and all court or arbitration or other dispute resolution costs) arising out of or relating to any infringement of patent rights or copyrights incident to the use in the performance of the Work or resulting from the incorporation in the Work of any invention, design, process, product, or device not specified in the Contract Documents.

#### 7.09 *Permits*

- A. Unless otherwise provided in the Contract Documents, Contractor shall obtain and pay for all construction permits, licenses, and certificates of occupancy. Owner shall assist Contractor, when necessary, in obtaining such permits and licenses. Contractor shall pay all governmental charges and inspection fees necessary for the prosecution of the Work which are applicable at the time of the submission of Contractor's Bid (or when Contractor became bound under a negotiated contract). Owner shall pay all charges of utility owners for connections for providing permanent service to the Work.

#### 7.10 *Taxes*

- A. Contractor shall pay all sales, consumer, use, and other similar taxes required to be paid by Contractor in accordance with the Laws and Regulations of the place of the Project which are applicable during the performance of the Work.

#### 7.11 *Laws and Regulations*

- A. Contractor shall give all notices required by and shall comply with all Laws and Regulations applicable to the performance of the Work. Neither Owner nor Engineer shall be responsible for monitoring Contractor's compliance with any Laws or Regulations.
- B. If Contractor performs any Work or takes any other action knowing or having reason to know that it is contrary to Laws or Regulations, Contractor shall bear all resulting costs and losses, and shall indemnify and hold harmless Owner and Engineer, and the officers, directors, members, partners, employees, agents, consultants, and subcontractors of each and any of them, from and against all claims, costs, losses, and damages (including but not limited to all fees and charges of engineers, architects, attorneys, and other professionals and all court or arbitration or other dispute resolution costs) arising out of or relating to such Work or other action. It is not Contractor's responsibility to make certain that the Work described in the Contract Documents is in accordance with Laws and Regulations, but this does not relieve Contractor of its obligations under Paragraph 3.03.
- C. Owner or Contractor may give written notice to the other party of any changes after the submission of Contractor's Bid (or after the date when Contractor became bound under a negotiated contract) in Laws or Regulations having an effect on the cost or time of performance of the Work, including but not limited to changes in Laws or Regulations having an effect on procuring permits and on sales, use, value-added, consumption, and other similar taxes. If Owner and Contractor are unable to agree on entitlement to or on the amount or extent, if any, of any adjustment in Contract Price or Contract Times resulting from such changes, then within 30 days of such written notice Contractor may submit a Change Proposal, or Owner may initiate a Claim.

#### 7.12 *Record Documents*

- A. Contractor shall maintain in a safe place at the Site one printed record copy of all Drawings, Specifications, Addenda, Change Orders, Work Change Directives, Field Orders, written interpretations and clarifications, and approved Shop Drawings. Contractor shall keep such record documents in good order and annotate them to show changes made during construction. These record documents, together with all approved Samples, will be available to Engineer for reference. Upon completion of the Work, Contractor shall deliver these record documents to Engineer.

### 7.13 *Safety and Protection*

- A. Contractor shall be solely responsible for initiating, maintaining, and supervising all safety precautions and programs in connection with the Work. Such responsibility does not relieve Subcontractors of their responsibility for the safety of persons or property in the performance of their work, nor for compliance with applicable safety Laws and Regulations.
- B. Contractor shall designate a qualified and experienced safety representative whose duties and responsibilities are the prevention of Work-related accidents and the maintenance and supervision of safety precautions and programs.
- C. Contractor shall take all necessary precautions for the safety of, and shall provide the necessary protection to prevent damage, injury, or loss to:
  - 1. all persons on the Site or who may be affected by the Work;
  - 2. all the Work and materials and equipment to be incorporated therein, whether in storage on or off the Site; and
  - 3. other property at the Site or adjacent thereto, including trees, shrubs, lawns, walks, pavements, roadways, structures, other work in progress, utilities, and Underground Facilities not designated for removal, relocation, or replacement in the course of construction.
- D. All damage, injury, or loss to any property referred to in Paragraph 7.13.C.2 or 7.13.C.3 caused, directly or indirectly, in whole or in part, by Contractor, any Subcontractor, Supplier, or any other individual or entity directly or indirectly employed by any of them to perform any of the Work, or anyone for whose acts any of them may be liable, shall be remedied by Contractor at its expense (except damage or loss attributable to the fault of Drawings or Specifications or to the acts or omissions of Owner or Engineer or anyone employed by any of them, or anyone for whose acts any of them may be liable, and not attributable, directly or indirectly, in whole or in part, to the fault or negligence of Contractor or any Subcontractor, Supplier, or other individual or entity directly or indirectly employed by any of them).
- E. Contractor shall comply with all applicable Laws and Regulations relating to the safety of persons or property, or to the protection of persons or property from damage, injury, or loss; and shall erect and maintain all necessary safeguards for such safety and protection.
- F. Contractor shall notify Owner; the owners of adjacent property; the owners of Underground Facilities and other utilities (if the identity of such owners is known to Contractor); and other contractors and utility owners performing work at or adjacent to the Site, in writing, when Contractor knows that prosecution of the Work may affect them, and shall cooperate with them in the protection, removal, relocation, and replacement of their property or work in progress.
- G. Contractor shall comply with the applicable requirements of Owner's safety programs, if any. Any Owner's safety programs that are applicable to the Work are identified or included in the Supplementary Conditions or Specifications.
- H. Contractor shall inform Owner and Engineer of the specific requirements of Contractor's safety program with which Owner's and Engineer's employees and representatives must comply while at the Site.

- I. Contractor's duties and responsibilities for safety and protection will continue until all the Work is completed, Engineer has issued a written notice to Owner and Contractor in accordance with Paragraph 15.06.C that the Work is acceptable, and Contractor has left the Site (except as otherwise expressly provided in connection with Substantial Completion).
- J. Contractor's duties and responsibilities for safety and protection will resume whenever Contractor or any Subcontractor or Supplier returns to the Site to fulfill warranty or correction obligations, or to conduct other tasks arising from the Contract Documents.

7.14 *Hazard Communication Programs*

- A. Contractor shall be responsible for coordinating any exchange of safety data sheets (formerly known as material safety data sheets) or other hazard communication information required to be made available to or exchanged between or among employers at the Site in accordance with Laws or Regulations.

7.15 *Emergencies*

- A. In emergencies affecting the safety or protection of persons or the Work or property at the Site or adjacent thereto, Contractor is obligated to act to prevent damage, injury, or loss. Contractor shall give Engineer prompt written notice if Contractor believes that any significant changes in the Work or variations from the Contract Documents have been caused by an emergency, or are required as a result of Contractor's response to an emergency. If Engineer determines that a change in the Contract Documents is required because of an emergency or Contractor's response, a Work Change Directive or Change Order will be issued.

7.16 *Submittals*

A. *Shop Drawing and Sample Requirements*

- 1. Before submitting a Shop Drawing or Sample, Contractor shall:
  - a. review and coordinate the Shop Drawing or Sample with other Shop Drawings and Samples and with the requirements of the Work and the Contract Documents;
  - b. determine and verify:
    - 1) all field measurements, quantities, dimensions, specified performance and design criteria, installation requirements, materials, catalog numbers, and similar information with respect to the Submittal;
    - 2) the suitability of all materials and equipment offered with respect to the indicated application, fabrication, shipping, handling, storage, assembly, and installation pertaining to the performance of the Work; and
    - 3) all information relative to Contractor's responsibilities for means, methods, techniques, sequences, and procedures of construction, and safety precautions and programs incident thereto;
  - c. confirm that the Submittal is complete with respect to all related data included in the Submittal.
- 2. Each Shop Drawing or Sample must bear a stamp or specific written certification that Contractor has satisfied Contractor's obligations under the Contract Documents with respect to Contractor's review of that Submittal, and that Contractor approves the Submittal.

3. With each Shop Drawing or Sample, Contractor shall give Engineer specific written notice of any variations that the Submittal may have from the requirements of the Contract Documents. This notice must be set forth in a written communication separate from the Submittal; and, in addition, in the case of a Shop Drawing by a specific notation made on the Shop Drawing itself.
- B. *Submittal Procedures for Shop Drawings and Samples:* Contractor shall label and submit Shop Drawings and Samples to Engineer for review and approval in accordance with the accepted Schedule of Submittals.
1. *Shop Drawings*
    - a. Contractor shall submit the number of copies required in the Specifications.
    - b. Data shown on the Shop Drawings must be complete with respect to quantities, dimensions, specified performance and design criteria, materials, and similar data to show Engineer the services, materials, and equipment Contractor proposes to provide, and to enable Engineer to review the information for the limited purposes required by Paragraph 7.16.C.
  2. *Samples*
    - a. Contractor shall submit the number of Samples required in the Specifications.
    - b. Contractor shall clearly identify each Sample as to material, Supplier, pertinent data such as catalog numbers, the use for which intended and other data as Engineer may require to enable Engineer to review the Submittal for the limited purposes required by Paragraph 7.16.C.
  3. Where a Shop Drawing or Sample is required by the Contract Documents or the Schedule of Submittals, any related Work performed prior to Engineer's review and approval of the pertinent submittal will be at the sole expense and responsibility of Contractor.
- C. *Engineer's Review of Shop Drawings and Samples*
1. Engineer will provide timely review of Shop Drawings and Samples in accordance with the accepted Schedule of Submittals. Engineer's review and approval will be only to determine if the items covered by the Submittals will, after installation or incorporation in the Work, comply with the requirements of the Contract Documents, and be compatible with the design concept of the completed Project as a functioning whole as indicated by the Contract Documents.
  2. Engineer's review and approval will not extend to means, methods, techniques, sequences, or procedures of construction, or to safety precautions or programs incident thereto.
  3. Engineer's review and approval of a separate item as such will not indicate approval of the assembly in which the item functions.
  4. Engineer's review and approval of a Shop Drawing or Sample will not relieve Contractor from responsibility for any variation from the requirements of the Contract Documents unless Contractor has complied with the requirements of Paragraph 7.16.A.3 and Engineer has given written approval of each such variation by specific written notation thereof incorporated in or accompanying the Shop Drawing or Sample. Engineer will

document any such approved variation from the requirements of the Contract Documents in a Field Order or other appropriate Contract modification.

5. Engineer's review and approval of a Shop Drawing or Sample will not relieve Contractor from responsibility for complying with the requirements of Paragraphs 7.16.A and B.
6. Engineer's review and approval of a Shop Drawing or Sample, or of a variation from the requirements of the Contract Documents, will not, under any circumstances, change the Contract Times or Contract Price, unless such changes are included in a Change Order.
7. Neither Engineer's receipt, review, acceptance, or approval of a Shop Drawing or Sample will result in such item becoming a Contract Document.
8. Contractor shall perform the Work in compliance with the requirements and commitments set forth in approved Shop Drawings and Samples, subject to the provisions of Paragraph 7.16.C.4.

*D. Resubmittal Procedures for Shop Drawings and Samples*

1. Contractor shall make corrections required by Engineer and shall return the required number of corrected copies of Shop Drawings and submit, as required, new Samples for review and approval. Contractor shall direct specific attention in writing to revisions other than the corrections called for by Engineer on previous Submittals.
2. Contractor shall furnish required Shop Drawing and Sample submittals with sufficient information and accuracy to obtain required approval of an item with no more than two resubmittals. Engineer will record Engineer's time for reviewing a third or subsequent resubmittal of a Shop Drawing or Sample, and Contractor shall be responsible for Engineer's charges to Owner for such time. Owner may impose a set-off against payments due Contractor to secure reimbursement for such charges.
3. If Contractor requests a change of a previously approved Shop Drawing or Sample, Contractor shall be responsible for Engineer's charges to Owner for its review time, and Owner may impose a set-off against payments due Contractor to secure reimbursement for such charges, unless the need for such change is beyond the control of Contractor.

*E. Submittals Other than Shop Drawings, Samples, and Owner-Delegated Designs*

1. The following provisions apply to all Submittals other than Shop Drawings, Samples, and Owner-delegated designs:
  - a. Contractor shall submit all such Submittals to the Engineer in accordance with the Schedule of Submittals and pursuant to the applicable terms of the Contract Documents.
  - b. Engineer will provide timely review of all such Submittals in accordance with the Schedule of Submittals and return such Submittals with a notation of either Accepted or Not Accepted. Any such Submittal that is not returned within the time established in the Schedule of Submittals will be deemed accepted.
  - c. Engineer's review will be only to determine if the Submittal is acceptable under the requirements of the Contract Documents as to general form and content of the Submittal.

- d. If any such Submittal is not accepted, Contractor shall confer with Engineer regarding the reason for the non-acceptance, and resubmit an acceptable document.
- 2. Procedures for the submittal and acceptance of the Progress Schedule, the Schedule of Submittals, and the Schedule of Values are set forth in Paragraphs 2.03, 2.04, and 2.05.
- F. Owner-delegated Designs: Submittals pursuant to Owner-delegated designs are governed by the provisions of Paragraph 7.19.

7.17 *Contractor's General Warranty and Guarantee*

- A. Contractor warrants and guarantees to Owner that all Work will be in accordance with the Contract Documents and will not be defective. Engineer is entitled to rely on Contractor's warranty and guarantee.
- B. Owner's rights under this warranty and guarantee are in addition to, and are not limited by, Owner's rights under the correction period provisions of Paragraph 15.08. The time in which Owner may enforce its warranty and guarantee rights under this Paragraph 7.17 is limited only by applicable Laws and Regulations restricting actions to enforce such rights; provided, however, that after the end of the correction period under Paragraph 15.08:
  - 1. Owner shall give Contractor written notice of any defective Work within 60 days of the discovery that such Work is defective; and
  - 2. Such notice will be deemed the start of an event giving rise to a Claim under Paragraph 12.01.B, such that any related Claim must be brought within 30 days of the notice.
- C. Contractor's warranty and guarantee hereunder excludes defects or damage caused by:
  - 1. abuse, or improper modification, maintenance, or operation, by persons other than Contractor, Subcontractors, Suppliers, or any other individual or entity for whom Contractor is responsible; or
  - 2. normal wear and tear under normal usage.
- D. Contractor's obligation to perform and complete the Work in accordance with the Contract Documents is absolute. None of the following will constitute an acceptance of Work that is not in accordance with the Contract Documents, a release of Contractor's obligation to perform the Work in accordance with the Contract Documents, or a release of Owner's warranty and guarantee rights under this Paragraph 7.17:
  - 1. Observations by Engineer;
  - 2. Recommendation by Engineer or payment by Owner of any progress or final payment;
  - 3. The issuance of a certificate of Substantial Completion by Engineer or any payment related thereto by Owner;
  - 4. Use or occupancy of the Work or any part thereof by Owner;
  - 5. Any review and approval of a Shop Drawing or Sample submittal;
  - 6. The issuance of a notice of acceptability by Engineer;
  - 7. The end of the correction period established in Paragraph 15.08;
  - 8. Any inspection, test, or approval by others; or

9. Any correction of defective Work by Owner.
- E. If the Contract requires the Contractor to accept the assignment of a contract entered into by Owner, then the specific warranties, guarantees, and correction obligations contained in the assigned contract will govern with respect to Contractor's performance obligations to Owner for the Work described in the assigned contract.

7.18 *Indemnification*

- A. To the fullest extent permitted by Laws and Regulations, and in addition to any other obligations of Contractor under the Contract or otherwise, Contractor shall indemnify and hold harmless Owner and Engineer, and the officers, directors, members, partners, employees, agents, consultants and subcontractors of each and any of them, from losses, damages, costs, and judgments (including but not limited to all fees and charges of engineers, architects, attorneys, and other professionals, and all court or arbitration or other dispute resolution costs) arising from third-party claims or actions relating to or resulting from the performance or furnishing of the Work, provided that any such claim, action, loss, cost, judgment or damage is attributable to bodily injury, sickness, disease, or death, or to damage to or destruction of tangible property (other than the Work itself), including the loss of use resulting therefrom, but only to the extent caused by any negligent act or omission of Contractor, any Subcontractor, any Supplier, or any individual or entity directly or indirectly employed by any of them to perform any of the Work, or anyone for whose acts any of them may be liable.
- B. In any and all claims against Owner or Engineer, or any of their officers, directors, members, partners, employees, agents, consultants, or subcontractors, by any employee (or the survivor or personal representative of such employee) of Contractor, any Subcontractor, any Supplier, or any individual or entity directly or indirectly employed by any of them to perform any of the Work, or anyone for whose acts any of them may be liable, the indemnification obligation under Paragraph 7.18.A will not be limited in any way by any limitation on the amount or type of damages, compensation, or benefits payable by or for Contractor or any such Subcontractor, Supplier, or other individual or entity under workers' compensation acts, disability benefit acts, or other employee benefit acts.

7.19 *Delegation of Professional Design Services*

- A. Owner may require Contractor to provide professional design services for a portion of the Work by express delegation in the Contract Documents. Such delegation will specify the performance and design criteria that such services must satisfy, and the Submittals that Contractor must furnish to Engineer with respect to the Owner-delegated design.
- B. Contractor shall cause such Owner-delegated professional design services to be provided pursuant to the professional standard of care by a properly licensed design professional, whose signature and seal must appear on all drawings, calculations, specifications, certifications, and Submittals prepared by such design professional. Such design professional must issue all certifications of design required by Laws and Regulations.
- C. If a Shop Drawing or other Submittal related to the Owner-delegated design is prepared by Contractor, a Subcontractor, or others for submittal to Engineer, then such Shop Drawing or other Submittal must bear the written approval of Contractor's design professional when submitted by Contractor to Engineer.

- D. Owner and Engineer shall be entitled to rely upon the adequacy, accuracy, and completeness of the services, certifications, and approvals performed or provided by the design professionals retained or employed by Contractor under an Owner-delegated design, subject to the professional standard of care and the performance and design criteria stated in the Contract Documents.
- E. Pursuant to this Paragraph 7.19, Engineer's review, approval, and other determinations regarding design drawings, calculations, specifications, certifications, and other Submittals furnished by Contractor pursuant to an Owner-delegated design will be only for the following limited purposes:
  - 1. Checking for conformance with the requirements of this Paragraph 7.19;
  - 2. Confirming that Contractor (through its design professionals) has used the performance and design criteria specified in the Contract Documents; and
  - 3. Establishing that the design furnished by Contractor is consistent with the design concept expressed in the Contract Documents.
- F. Contractor shall not be responsible for the adequacy of performance or design criteria specified by Owner or Engineer.
- G. Contractor is not required to provide professional services in violation of applicable Laws and Regulations.

## **ARTICLE 8—OTHER WORK AT THE SITE**

### **8.01 *Other Work***

- A. In addition to and apart from the Work under the Contract Documents, the Owner may perform other work at or adjacent to the Site. Such other work may be performed by Owner's employees, or through contracts between the Owner and third parties. Owner may also arrange to have third-party utility owners perform work on their utilities and facilities at or adjacent to the Site.
- B. If Owner performs other work at or adjacent to the Site with Owner's employees, or through contracts for such other work, then Owner shall give Contractor written notice thereof prior to starting any such other work. If Owner has advance information regarding the start of any third-party utility work that Owner has arranged to take place at or adjacent to the Site, Owner shall provide such information to Contractor.
- C. Contractor shall afford proper and safe access to the Site to each contractor that performs such other work, each utility owner performing other work, and Owner, if Owner is performing other work with Owner's employees, and provide a reasonable opportunity for the introduction and storage of materials and equipment and the execution of such other work.
- D. Contractor shall do all cutting, fitting, and patching of the Work that may be required to properly connect or otherwise make its several parts come together and properly integrate with such other work. Contractor shall not endanger any work of others by cutting, excavating, or otherwise altering such work; provided, however, that Contractor may cut or alter others' work with the written consent of Engineer and the others whose work will be affected.

- E. If the proper execution or results of any part of Contractor's Work depends upon work performed by others, Contractor shall inspect such other work and promptly report to Engineer in writing any delays, defects, or deficiencies in such other work that render it unavailable or unsuitable for the proper execution and results of Contractor's Work. Contractor's failure to so report will constitute an acceptance of such other work as fit and proper for integration with Contractor's Work except for latent defects and deficiencies in such other work.
- F. The provisions of this article are not applicable to work that is performed by third-party utilities or other third-party entities without a contract with Owner, or that is performed without having been arranged by Owner. If such work occurs, then any related delay, disruption, or interference incurred by Contractor is governed by the provisions of Paragraph 4.05.C.3.

#### 8.02 *Coordination*

- A. If Owner intends to contract with others for the performance of other work at or adjacent to the Site, to perform other work at or adjacent to the Site with Owner's employees, or to arrange to have utility owners perform work at or adjacent to the Site, the following will be set forth in the Supplementary Conditions or provided to Contractor prior to the start of any such other work:
  - 1. The identity of the individual or entity that will have authority and responsibility for coordination of the activities among the various contractors;
  - 2. An itemization of the specific matters to be covered by such authority and responsibility; and
  - 3. The extent of such authority and responsibilities.
- B. Unless otherwise provided in the Supplementary Conditions, Owner shall have sole authority and responsibility for such coordination.

#### 8.03 *Legal Relationships*

- A. If, in the course of performing other work for Owner at or adjacent to the Site, the Owner's employees, any other contractor working for Owner, or any utility owner that Owner has arranged to perform work, causes damage to the Work or to the property of Contractor or its Subcontractors, or delays, disrupts, interferes with, or increases the scope or cost of the performance of the Work, through actions or inaction, then Contractor shall be entitled to an equitable adjustment in the Contract Price or the Contract Times. Contractor must submit any Change Proposal seeking an equitable adjustment in the Contract Price or the Contract Times under this paragraph within 30 days of the damaging, delaying, disrupting, or interfering event. The entitlement to, and extent of, any such equitable adjustment will take into account information (if any) regarding such other work that was provided to Contractor in the Contract Documents prior to the submittal of the Bid or the final negotiation of the terms of the Contract, and any remedies available to Contractor under Laws or Regulations concerning utility action or inaction. When applicable, any such equitable adjustment in Contract Price will be conditioned on Contractor assigning to Owner all Contractor's rights against such other contractor or utility owner with respect to the damage, delay, disruption, or interference that is the subject of the adjustment. Contractor's entitlement to an adjustment of the Contract Times or Contract Price is subject to the provisions of Paragraphs 4.05.D and 4.05.E.

- B. Contractor shall take reasonable and customary measures to avoid damaging, delaying, disrupting, or interfering with the work of Owner, any other contractor, or any utility owner performing other work at or adjacent to the Site.
  - 1. If Contractor fails to take such measures and as a result damages, delays, disrupts, or interferes with the work of any such other contractor or utility owner, then Owner may impose a set-off against payments due Contractor, and assign to such other contractor or utility owner the Owner's contractual rights against Contractor with respect to the breach of the obligations set forth in this Paragraph 8.03.B.
  - 2. When Owner is performing other work at or adjacent to the Site with Owner's employees, Contractor shall be liable to Owner for damage to such other work, and for the reasonable direct delay, disruption, and interference costs incurred by Owner as a result of Contractor's failure to take reasonable and customary measures with respect to Owner's other work. In response to such damage, delay, disruption, or interference, Owner may impose a set-off against payments due Contractor.
- C. If Contractor damages, delays, disrupts, or interferes with the work of any other contractor, or any utility owner performing other work at or adjacent to the Site, through Contractor's failure to take reasonable and customary measures to avoid such impacts, or if any claim arising out of Contractor's actions, inactions, or negligence in performance of the Work at or adjacent to the Site is made by any such other contractor or utility owner against Contractor, Owner, or Engineer, then Contractor shall (1) promptly attempt to settle the claim as to all parties through negotiations with such other contractor or utility owner, or otherwise resolve the claim by arbitration or other dispute resolution proceeding or at law, and (2) indemnify and hold harmless Owner and Engineer, and the officers, directors, members, partners, employees, agents, consultants and subcontractors of each and any of them from and against any such claims, and against all costs, losses, and damages (including but not limited to all fees and charges of engineers, architects, attorneys, and other professionals and all court or arbitration or other dispute resolution costs) arising out of or relating to such damage, delay, disruption, or interference.

## **ARTICLE 9—OWNER'S RESPONSIBILITIES**

### **9.01 *Communications to Contractor***

- A. Except as otherwise provided in these General Conditions, Owner shall issue all communications to Contractor through Engineer.

### **9.02 *Replacement of Engineer***

- A. Owner may at its discretion appoint an engineer to replace Engineer, provided Contractor makes no reasonable objection to the replacement engineer. The replacement engineer's status under the Contract Documents will be that of the former Engineer.

### **9.03 *Furnish Data***

- A. Owner shall promptly furnish the data required of Owner under the Contract Documents.

### **9.04 *Pay When Due***

- A. Owner shall make payments to Contractor when they are due as provided in the Agreement.

- 9.05 *Lands and Easements; Reports, Tests, and Drawings*
- A. Owner's duties with respect to providing lands and easements are set forth in Paragraph 5.01.
  - B. Owner's duties with respect to providing engineering surveys to establish reference points are set forth in Paragraph 4.03.
  - C. Article 5 refers to Owner's identifying and making available to Contractor copies of reports of explorations and tests of conditions at the Site, and drawings of physical conditions relating to existing surface or subsurface structures at the Site.
- 9.06 *Insurance*
- A. Owner's responsibilities, if any, with respect to purchasing and maintaining liability and property insurance are set forth in Article 6.
- 9.07 *Change Orders*
- A. Owner's responsibilities with respect to Change Orders are set forth in Article 11.
- 9.08 *Inspections, Tests, and Approvals*
- A. Owner's responsibility with respect to certain inspections, tests, and approvals is set forth in Paragraph 14.02.B.
- 9.09 *Limitations on Owner's Responsibilities*
- A. The Owner shall not supervise, direct, or have control or authority over, nor be responsible for, Contractor's means, methods, techniques, sequences, or procedures of construction, or the safety precautions and programs incident thereto, or for any failure of Contractor to comply with Laws and Regulations applicable to the performance of the Work. Owner will not be responsible for Contractor's failure to perform the Work in accordance with the Contract Documents.
- 9.10 *Undisclosed Hazardous Environmental Condition*
- A. Owner's responsibility in respect to an undisclosed Hazardous Environmental Condition is set forth in Paragraph 5.06.
- 9.11 *Evidence of Financial Arrangements*
- A. Upon request of Contractor, Owner shall furnish Contractor reasonable evidence that financial arrangements have been made to satisfy Owner's obligations under the Contract (including obligations under proposed changes in the Work).
- 9.12 *Safety Programs*
- A. While at the Site, Owner's employees and representatives shall comply with the specific applicable requirements of Contractor's safety programs of which Owner has been informed.
  - B. Owner shall furnish copies of any applicable Owner safety programs to Contractor.

## ARTICLE 10—ENGINEER'S STATUS DURING CONSTRUCTION

### 10.01 *Owner's Representative*

- A. Engineer will be Owner's representative during the construction period. The duties and responsibilities and the limitations of authority of Engineer as Owner's representative during construction are set forth in the Contract.

### 10.02 *Visits to Site*

- A. Engineer will make visits to the Site at intervals appropriate to the various stages of construction as Engineer deems necessary in order to observe, as an experienced and qualified design professional, the progress that has been made and the quality of the various aspects of Contractor's executed Work. Based on information obtained during such visits and observations, Engineer, for the benefit of Owner, will determine, in general, if the Work is proceeding in accordance with the Contract Documents. Engineer will not be required to make exhaustive or continuous inspections on the Site to check the quality or quantity of the Work. Engineer's efforts will be directed toward providing for Owner a greater degree of confidence that the completed Work will conform generally to the Contract Documents. On the basis of such visits and observations, Engineer will keep Owner informed of the progress of the Work and will endeavor to guard Owner against defective Work.
- B. Engineer's visits and observations are subject to all the limitations on Engineer's authority and responsibility set forth in Paragraph 10.07. Particularly, but without limitation, during or as a result of Engineer's visits or observations of Contractor's Work, Engineer will not supervise, direct, control, or have authority over or be responsible for Contractor's means, methods, techniques, sequences, or procedures of construction, or the safety precautions and programs incident thereto, or for any failure of Contractor to comply with Laws and Regulations applicable to the performance of the Work.

### 10.03 *Resident Project Representative*

- A. If Owner and Engineer have agreed that Engineer will furnish a Resident Project Representative to represent Engineer at the Site and assist Engineer in observing the progress and quality of the Work, then the authority and responsibilities of any such Resident Project Representative will be as provided in the Supplementary Conditions, and limitations on the responsibilities thereof will be as provided in the Supplementary Conditions and in Paragraph 10.07.
- B. If Owner designates an individual or entity who is not Engineer's consultant, agent, or employee to represent Owner at the Site, then the responsibilities and authority of such individual or entity will be as provided in the Supplementary Conditions.

### 10.04 *Engineer's Authority*

- A. Engineer has the authority to reject Work in accordance with Article 14.
- B. Engineer's authority as to Submittals is set forth in Paragraph 7.16.
- C. Engineer's authority as to design drawings, calculations, specifications, certifications and other Submittals from Contractor in response to Owner's delegation (if any) to Contractor of professional design services, is set forth in Paragraph 7.19.
- D. Engineer's authority as to changes in the Work is set forth in Article 11.

E. Engineer's authority as to Applications for Payment is set forth in Article 15.

10.05 *Determinations for Unit Price Work*

A. Engineer will determine the actual quantities and classifications of Unit Price Work performed by Contractor as set forth in Paragraph 13.03.

10.06 *Decisions on Requirements of Contract Documents and Acceptability of Work*

A. Engineer will render decisions regarding the requirements of the Contract Documents, and judge the acceptability of the Work, pursuant to the specific procedures set forth herein for initial interpretations, Change Proposals, and acceptance of the Work. In rendering such decisions and judgments, Engineer will not show partiality to Owner or Contractor, and will not be liable to Owner, Contractor, or others in connection with any proceedings, interpretations, decisions, or judgments conducted or rendered in good faith.

10.07 *Limitations on Engineer's Authority and Responsibilities*

A. Neither Engineer's authority or responsibility under this Article 10 or under any other provision of the Contract, nor any decision made by Engineer in good faith either to exercise or not exercise such authority or responsibility or the undertaking, exercise, or performance of any authority or responsibility by Engineer, will create, impose, or give rise to any duty in contract, tort, or otherwise owed by Engineer to Contractor, any Subcontractor, any Supplier, any other individual or entity, or to any surety for or employee or agent of any of them.

B. Engineer will not supervise, direct, control, or have authority over or be responsible for Contractor's means, methods, techniques, sequences, or procedures of construction, or the safety precautions and programs incident thereto, or for any failure of Contractor to comply with Laws and Regulations applicable to the performance of the Work. Engineer will not be responsible for Contractor's failure to perform the Work in accordance with the Contract Documents.

C. Engineer will not be responsible for the acts or omissions of Contractor or of any Subcontractor, any Supplier, or of any other individual or entity performing any of the Work.

D. Engineer's review of the final Application for Payment and accompanying documentation, and all maintenance and operating instructions, schedules, guarantees, bonds, certificates of inspection, tests and approvals, and other documentation required to be delivered by Contractor under Paragraph 15.06.A, will only be to determine generally that their content complies with the requirements of, and in the case of certificates of inspections, tests, and approvals, that the results certified indicate compliance with the Contract Documents.

E. The limitations upon authority and responsibility set forth in this Paragraph 10.07 also apply to the Resident Project Representative, if any.

10.08 *Compliance with Safety Program*

A. While at the Site, Engineer's employees and representatives will comply with the specific applicable requirements of Owner's and Contractor's safety programs of which Engineer has been informed.

## ARTICLE 11—CHANGES TO THE CONTRACT

### 11.01 *Amending and Supplementing the Contract*

- A. The Contract may be amended or supplemented by a Change Order, a Work Change Directive, or a Field Order.
- B. If an amendment or supplement to the Contract includes a change in the Contract Price or the Contract Times, such amendment or supplement must be set forth in a Change Order.
- C. All changes to the Contract that involve (1) the performance or acceptability of the Work, (2) the design (as set forth in the Drawings, Specifications, or otherwise), or (3) other engineering or technical matters, must be supported by Engineer's recommendation. Owner and Contractor may amend other terms and conditions of the Contract without the recommendation of the Engineer.

### 11.02 *Change Orders*

- A. Owner and Contractor shall execute appropriate Change Orders covering:
  - 1. Changes in Contract Price or Contract Times which are agreed to by the parties, including any undisputed sum or amount of time for Work actually performed in accordance with a Work Change Directive;
  - 2. Changes in Contract Price resulting from an Owner set-off, unless Contractor has duly contested such set-off;
  - 3. Changes in the Work which are: (a) ordered by Owner pursuant to Paragraph 11.05, (b) required because of Owner's acceptance of defective Work under Paragraph 14.04 or Owner's correction of defective Work under Paragraph 14.07, or (c) agreed to by the parties, subject to the need for Engineer's recommendation if the change in the Work involves the design (as set forth in the Drawings, Specifications, or otherwise) or other engineering or technical matters; and
  - 4. Changes that embody the substance of any final and binding results under: Paragraph 11.03.B, resolving the impact of a Work Change Directive; Paragraph 11.09, concerning Change Proposals; Article 12, Claims; Paragraph 13.02.D, final adjustments resulting from allowances; Paragraph 13.03.D, final adjustments relating to determination of quantities for Unit Price Work; and similar provisions.
- B. If Owner or Contractor refuses to execute a Change Order that is required to be executed under the terms of Paragraph 11.02.A, it will be deemed to be of full force and effect, as if fully executed.

### 11.03 *Work Change Directives*

- A. A Work Change Directive will not change the Contract Price or the Contract Times but is evidence that the parties expect that the modification ordered or documented by a Work Change Directive will be incorporated in a subsequently issued Change Order, following negotiations by the parties as to the Work Change Directive's effect, if any, on the Contract Price and Contract Times; or, if negotiations are unsuccessful, by a determination under the terms of the Contract Documents governing adjustments, expressly including Paragraph 11.07 regarding change of Contract Price.

- B. If Owner has issued a Work Change Directive and:
  - 1. Contractor believes that an adjustment in Contract Times or Contract Price is necessary, then Contractor shall submit any Change Proposal seeking such an adjustment no later than 30 days after the completion of the Work set out in the Work Change Directive.
  - 2. Owner believes that an adjustment in Contract Times or Contract Price is necessary, then Owner shall submit any Claim seeking such an adjustment no later than 60 days after issuance of the Work Change Directive.

#### 11.04 *Field Orders*

- A. Engineer may authorize minor changes in the Work if the changes do not involve an adjustment in the Contract Price or the Contract Times and are compatible with the design concept of the completed Project as a functioning whole as indicated by the Contract Documents. Such changes will be accomplished by a Field Order and will be binding on Owner and also on Contractor, which shall perform the Work involved promptly.
- B. If Contractor believes that a Field Order justifies an adjustment in the Contract Price or Contract Times, then before proceeding with the Work at issue, Contractor shall submit a Change Proposal as provided herein.

#### 11.05 *Owner-Authorized Changes in the Work*

- A. Without invalidating the Contract and without notice to any surety, Owner may, at any time or from time to time, order additions, deletions, or revisions in the Work. Changes involving the design (as set forth in the Drawings, Specifications, or otherwise) or other engineering or technical matters will be supported by Engineer's recommendation.
- B. Such changes in the Work may be accomplished by a Change Order, if Owner and Contractor have agreed as to the effect, if any, of the changes on Contract Times or Contract Price; or by a Work Change Directive. Upon receipt of any such document, Contractor shall promptly proceed with the Work involved; or, in the case of a deletion in the Work, promptly cease construction activities with respect to such deleted Work. Added or revised Work must be performed under the applicable conditions of the Contract Documents.
- C. Nothing in this Paragraph 11.05 obligates Contractor to undertake work that Contractor reasonably concludes cannot be performed in a manner consistent with Contractor's safety obligations under the Contract Documents or Laws and Regulations.

#### 11.06 *Unauthorized Changes in the Work*

- A. Contractor shall not be entitled to an increase in the Contract Price or an extension of the Contract Times with respect to any work performed that is not required by the Contract Documents, as amended, modified, or supplemented, except in the case of an emergency as provided in Paragraph 7.15 or in the case of uncovering Work as provided in Paragraph 14.05.C.2.

#### 11.07 *Change of Contract Price*

- A. The Contract Price may only be changed by a Change Order. Any Change Proposal for an adjustment in the Contract Price must comply with the provisions of Paragraph 11.09. Any Claim for an adjustment of Contract Price must comply with the provisions of Article 12.
- B. An adjustment in the Contract Price will be determined as follows:

1. Where the Work involved is covered by unit prices contained in the Contract Documents, then by application of such unit prices to the quantities of the items involved (subject to the provisions of Paragraph 13.03);
  2. Where the Work involved is not covered by unit prices contained in the Contract Documents, then by a mutually agreed lump sum (which may include an allowance for overhead and profit not necessarily in accordance with Paragraph 11.07.C.2); or
  3. Where the Work involved is not covered by unit prices contained in the Contract Documents and the parties do not reach mutual agreement to a lump sum, then on the basis of the Cost of the Work (determined as provided in Paragraph 13.01) plus a Contractor's fee for overhead and profit (determined as provided in Paragraph 11.07.C).
- C. *Contractor's Fee:* When applicable, the Contractor's fee for overhead and profit will be determined as follows:
1. A mutually acceptable fixed fee; or
  2. If a fixed fee is not agreed upon, then a fee based on the following percentages of the various portions of the Cost of the Work:
    - a. For costs incurred under Paragraphs 13.01.B.1 and 13.01.B.2, the Contractor's fee will be 15 percent;
    - b. For costs incurred under Paragraph 13.01.B.3, the Contractor's fee will be 5 percent;
    - c. Where one or more tiers of subcontracts are on the basis of Cost of the Work plus a fee and no fixed fee is agreed upon, the intent of Paragraphs 11.07.C.2.a and 11.07.C.2.b is that the Contractor's fee will be based on: (1) a fee of 15 percent of the costs incurred under Paragraphs 13.01.B.1 and 13.01.B.2 by the Subcontractor that actually performs the Work, at whatever tier, and (2) with respect to Contractor itself and to any Subcontractors of a tier higher than that of the Subcontractor that actually performs the Work, a fee of 5 percent of the amount (fee plus underlying costs incurred) attributable to the next lower tier Subcontractor; provided, however, that for any such subcontracted Work the maximum total fee to be paid by Owner will be no greater than 27 percent of the costs incurred by the Subcontractor that actually performs the Work;
    - d. No fee will be payable on the basis of costs itemized under Paragraphs 13.01.B.4, 13.01.B.5, and 13.01.C;
    - e. The amount of credit to be allowed by Contractor to Owner for any change which results in a net decrease in Cost of the Work will be the amount of the actual net decrease in Cost of the Work and a deduction of an additional amount equal to 5 percent of such actual net decrease in Cost of the Work; and
    - f. When both additions and credits are involved in any one change or Change Proposal, the adjustment in Contractor's fee will be computed by determining the sum of the costs in each of the cost categories in Paragraph 13.01.B (specifically, payroll costs, Paragraph 13.01.B.1; incorporated materials and equipment costs, Paragraph 13.01.B.2; Subcontract costs, Paragraph 13.01.B.3; special consultants costs, Paragraph 13.01.B.4; and other costs, Paragraph 13.01.B.5) and applying to each such cost category sum the appropriate fee from Paragraphs 11.07.C.2.a through 11.07.C.2.e, inclusive.

#### 11.08 *Change of Contract Times*

- A. The Contract Times may only be changed by a Change Order. Any Change Proposal for an adjustment in the Contract Times must comply with the provisions of Paragraph 11.09. Any Claim for an adjustment in the Contract Times must comply with the provisions of Article 12.
- B. Delay, disruption, and interference in the Work, and any related changes in Contract Times, are addressed in and governed by Paragraph 4.05.

#### 11.09 *Change Proposals*

A. *Purpose and Content:* Contractor shall submit a Change Proposal to Engineer to request an adjustment in the Contract Times or Contract Price; contest an initial decision by Engineer concerning the requirements of the Contract Documents or relating to the acceptability of the Work under the Contract Documents; challenge a set-off against payment due; or seek other relief under the Contract. The Change Proposal will specify any proposed change in Contract Times or Contract Price, or other proposed relief, and explain the reason for the proposed change, with citations to any governing or applicable provisions of the Contract Documents. Each Change Proposal will address only one issue, or a set of closely related issues.

#### B. *Change Proposal Procedures*

1. *Submittal:* Contractor shall submit each Change Proposal to Engineer within 30 days after the start of the event giving rise thereto, or after such initial decision.
2. *Supporting Data:* The Contractor shall submit supporting data, including the proposed change in Contract Price or Contract Time (if any), to the Engineer and Owner within 15 days after the submittal of the Change Proposal.
  - a. Change Proposals based on or related to delay, interruption, or interference must comply with the provisions of Paragraphs 4.05.D and 4.05.E.
  - b. Change proposals related to a change of Contract Price must include full and detailed accounts of materials incorporated into the Work and labor and equipment used for the subject Work.

The supporting data must be accompanied by a written statement that the supporting data are accurate and complete, and that any requested time or price adjustment is the entire adjustment to which Contractor believes it is entitled as a result of said event.

3. *Engineer's Initial Review:* Engineer will advise Owner regarding the Change Proposal, and consider any comments or response from Owner regarding the Change Proposal. If in its discretion Engineer concludes that additional supporting data is needed before conducting a full review and making a decision regarding the Change Proposal, then Engineer may request that Contractor submit such additional supporting data by a date specified by Engineer, prior to Engineer beginning its full review of the Change Proposal.
4. *Engineer's Full Review and Action on the Change Proposal:* Upon receipt of Contractor's supporting data (including any additional data requested by Engineer), Engineer will conduct a full review of each Change Proposal and, within 30 days after such receipt of the Contractor's supporting data, either approve the Change Proposal in whole, deny it in whole, or approve it in part and deny it in part. Such actions must be in writing, with a copy provided to Owner and Contractor. If Engineer does not take action on the Change

Proposal within 30 days, then either Owner or Contractor may at any time thereafter submit a letter to the other party indicating that as a result of Engineer's inaction the Change Proposal is deemed denied, thereby commencing the time for appeal of the denial under Article 12.

5. *Binding Decision*: Engineer's decision is final and binding upon Owner and Contractor, unless Owner or Contractor appeals the decision by filing a Claim under Article 12.
- C. *Resolution of Certain Change Proposals*: If the Change Proposal does not involve the design (as set forth in the Drawings, Specifications, or otherwise), the acceptability of the Work, or other engineering or technical matters, then Engineer will notify the parties in writing that the Engineer is unable to resolve the Change Proposal. For purposes of further resolution of such a Change Proposal, such notice will be deemed a denial, and Contractor may choose to seek resolution under the terms of Article 12.
- D. *Post-Completion*: Contractor shall not submit any Change Proposals after Engineer issues a written recommendation of final payment pursuant to Paragraph 15.06.B.

#### 11.10 *Notification to Surety*

- A. If the provisions of any bond require notice to be given to a surety of any change affecting the general scope of the Work or the provisions of the Contract Documents (including, but not limited to, Contract Price or Contract Times), the giving of any such notice will be Contractor's responsibility. The amount of each applicable bond will be adjusted to reflect the effect of any such change.

### ARTICLE 12—CLAIMS

#### 12.01 *Claims*

- A. *Claims Process*: The following disputes between Owner and Contractor are subject to the Claims process set forth in this article:
  1. Appeals by Owner or Contractor of Engineer's decisions regarding Change Proposals;
  2. Owner demands for adjustments in the Contract Price or Contract Times, or other relief under the Contract Documents;
  3. Disputes that Engineer has been unable to address because they do not involve the design (as set forth in the Drawings, Specifications, or otherwise), the acceptability of the Work, or other engineering or technical matters; and
  4. Subject to the waiver provisions of Paragraph 15.07, any dispute arising after Engineer has issued a written recommendation of final payment pursuant to Paragraph 15.06.B.
- B. *Submittal of Claim*: The party submitting a Claim shall deliver it directly to the other party to the Contract promptly (but in no event later than 30 days) after the start of the event giving rise thereto; in the case of appeals regarding Change Proposals within 30 days of the decision under appeal. The party submitting the Claim shall also furnish a copy to the Engineer, for its information only. The responsibility to substantiate a Claim rests with the party making the Claim. In the case of a Claim by Contractor seeking an increase in the Contract Times or Contract Price, Contractor shall certify that the Claim is made in good faith, that the supporting data are accurate and complete, and that to the best of Contractor's knowledge

and belief the amount of time or money requested accurately reflects the full amount to which Contractor is entitled.

- C. *Review and Resolution*: The party receiving a Claim shall review it thoroughly, giving full consideration to its merits. The two parties shall seek to resolve the Claim through the exchange of information and direct negotiations. The parties may extend the time for resolving the Claim by mutual agreement. All actions taken on a Claim will be stated in writing and submitted to the other party, with a copy to Engineer.
- D. *Mediation*
  - 1. At any time after initiation of a Claim, Owner and Contractor may mutually agree to mediation of the underlying dispute. The agreement to mediate will stay the Claim submittal and response process.
  - 2. If Owner and Contractor agree to mediation, then after 60 days from such agreement, either Owner or Contractor may unilaterally terminate the mediation process, and the Claim submittal and decision process will resume as of the date of the termination. If the mediation proceeds but is unsuccessful in resolving the dispute, the Claim submittal and decision process will resume as of the date of the conclusion of the mediation, as determined by the mediator.
  - 3. Owner and Contractor shall each pay one-half of the mediator's fees and costs.
- E. *Partial Approval*: If the party receiving a Claim approves the Claim in part and denies it in part, such action will be final and binding unless within 30 days of such action the other party invokes the procedure set forth in Article 17 for final resolution of disputes.
- F. *Denial of Claim*: If efforts to resolve a Claim are not successful, the party receiving the Claim may deny it by giving written notice of denial to the other party. If the receiving party does not take action on the Claim within 90 days, then either Owner or Contractor may at any time thereafter submit a letter to the other party indicating that as a result of the inaction, the Claim is deemed denied, thereby commencing the time for appeal of the denial. A denial of the Claim will be final and binding unless within 30 days of the denial the other party invokes the procedure set forth in Article 17 for the final resolution of disputes.
- G. *Final and Binding Results*: If the parties reach a mutual agreement regarding a Claim, whether through approval of the Claim, direct negotiations, mediation, or otherwise; or if a Claim is approved in part and denied in part, or denied in full, and such actions become final and binding; then the results of the agreement or action on the Claim will be incorporated in a Change Order or other written document to the extent they affect the Contract, including the Work, the Contract Times, or the Contract Price.

## **ARTICLE 13—COST OF THE WORK; ALLOWANCES; UNIT PRICE WORK**

### **13.01 *Cost of the Work***

- A. *Purposes for Determination of Cost of the Work*: The term Cost of the Work means the sum of all costs necessary for the proper performance of the Work at issue, as further defined below. The provisions of this Paragraph 13.01 are used for two distinct purposes:
  - 1. To determine Cost of the Work when Cost of the Work is a component of the Contract Price, under cost-plus-fee, time-and-materials, or other cost-based terms; or

2. When needed to determine the value of a Change Order, Change Proposal, Claim, set-off, or other adjustment in Contract Price. When the value of any such adjustment is determined on the basis of Cost of the Work, Contractor is entitled only to those additional or incremental costs required because of the change in the Work or because of the event giving rise to the adjustment.
- B. *Costs Included:* Except as otherwise may be agreed to in writing by Owner, costs included in the Cost of the Work will be in amounts no higher than those commonly incurred in the locality of the Project, will not include any of the costs itemized in Paragraph 13.01.C, and will include only the following items:
1. Payroll costs for employees in the direct employ of Contractor in the performance of the Work under schedules of job classifications agreed upon by Owner and Contractor in advance of the subject Work. Such employees include, without limitation, superintendents, foremen, safety managers, safety representatives, and other personnel employed full time on the Work. Payroll costs for employees not employed full time on the Work will be apportioned on the basis of their time spent on the Work. Payroll costs include, but are not limited to, salaries and wages plus the cost of fringe benefits, which include social security contributions, unemployment, excise, and payroll taxes, workers' compensation, health and retirement benefits, sick leave, and vacation and holiday pay applicable thereto. The expenses of performing Work outside of regular working hours, on Saturday, Sunday, or legal holidays, will be included in the above to the extent authorized by Owner.
  2. Cost of all materials and equipment furnished and incorporated in the Work, including costs of transportation and storage thereof, and Suppliers' field services required in connection therewith. All cash discounts accrue to Contractor unless Owner deposits funds with Contractor with which to make payments, in which case the cash discounts will accrue to Owner. All trade discounts, rebates, and refunds and returns from sale of surplus materials and equipment will accrue to Owner, and Contractor shall make provisions so that they may be obtained.
  3. Payments made by Contractor to Subcontractors for Work performed by Subcontractors. If required by Owner, Contractor shall obtain competitive bids from subcontractors acceptable to Owner and Contractor and shall deliver such bids to Owner, which will then determine, with the advice of Engineer, which bids, if any, will be acceptable. If any subcontract provides that the Subcontractor is to be paid on the basis of Cost of the Work plus a fee, the Subcontractor's Cost of the Work and fee will be determined in the same manner as Contractor's Cost of the Work and fee as provided in this Paragraph 13.01.
  4. Costs of special consultants (including but not limited to engineers, architects, testing laboratories, surveyors, attorneys, and accountants) employed or retained for services specifically related to the Work.
  5. Other costs consisting of the following:
    - a. The proportion of necessary transportation, travel, and subsistence expenses of Contractor's employees incurred in discharge of duties connected with the Work.
    - b. Cost, including transportation and maintenance, of all materials, supplies, equipment, machinery, appliances, office, and temporary facilities at the Site, which are

consumed in the performance of the Work, and cost, less market value, of such items used but not consumed which remain the property of Contractor.

- 1) In establishing included costs for materials such as scaffolding, plating, or sheeting, consideration will be given to the actual or the estimated life of the material for use on other projects; or rental rates may be established on the basis of purchase or salvage value of such items, whichever is less. Contractor will not be eligible for compensation for such items in an amount that exceeds the purchase cost of such item.

c. *Construction Equipment Rental*

- 1) Rentals of all construction equipment and machinery, and the parts thereof, in accordance with rental agreements approved by Owner as to price (including any surcharge or special rates applicable to overtime use of the construction equipment or machinery), and the costs of transportation, loading, unloading, assembly, dismantling, and removal thereof. All such costs will be in accordance with the terms of said rental agreements. The rental of any such equipment, machinery, or parts must cease when the use thereof is no longer necessary for the Work.
- 2) Costs for equipment and machinery owned by Contractor or a Contractor-related entity will be paid at a rate shown for such equipment in the equipment rental rate book specified in the Supplementary Conditions. An hourly rate will be computed by dividing the monthly rates by 176. These computed rates will include all operating costs.
- 3) With respect to Work that is the result of a Change Order, Change Proposal, Claim, set-off, or other adjustment in Contract Price ("changed Work"), included costs will be based on the time the equipment or machinery is in use on the changed Work and the costs of transportation, loading, unloading, assembly, dismantling, and removal when directly attributable to the changed Work. The cost of any such equipment or machinery, or parts thereof, must cease to accrue when the use thereof is no longer necessary for the changed Work.

- d. Sales, consumer, use, and other similar taxes related to the Work, and for which Contractor is liable, as imposed by Laws and Regulations.
- e. Deposits lost for causes other than negligence of Contractor, any Subcontractor, or anyone directly or indirectly employed by any of them or for whose acts any of them may be liable, and royalty payments and fees for permits and licenses.
- f. Losses and damages (and related expenses) caused by damage to the Work, not compensated by insurance or otherwise, sustained by Contractor in connection with the performance of the Work (except losses and damages within the deductible amounts of builder's risk or other property insurance established in accordance with Paragraph 6.04), provided such losses and damages have resulted from causes other than the negligence of Contractor, any Subcontractor, or anyone directly or indirectly employed by any of them or for whose acts any of them may be liable. Such losses include settlements made with the written consent and approval of Owner. No such losses, damages, and expenses will be included in the Cost of the Work for the purpose of determining Contractor's fee.

- g. The cost of utilities, fuel, and sanitary facilities at the Site.
- h. Minor expenses such as communication service at the Site, express and courier services, and similar petty cash items in connection with the Work.
- i. The costs of premiums for all bonds and insurance that Contractor is required by the Contract Documents to purchase and maintain.

C. *Costs Excluded*: The term Cost of the Work does not include any of the following items:

- 1. Payroll costs and other compensation of Contractor's officers, executives, principals, general managers, engineers, architects, estimators, attorneys, auditors, accountants, purchasing and contracting agents, expeditors, timekeepers, clerks, and other personnel employed by Contractor, whether at the Site or in Contractor's principal or branch office for general administration of the Work and not specifically included in the agreed upon schedule of job classifications referred to in Paragraph 13.01.B.1 or specifically covered by Paragraph 13.01.B.4. The payroll costs and other compensation excluded here are to be considered administrative costs covered by the Contractor's fee.
- 2. The cost of purchasing, renting, or furnishing small tools and hand tools.
- 3. Expenses of Contractor's principal and branch offices other than Contractor's office at the Site.
- 4. Any part of Contractor's capital expenses, including interest on Contractor's capital employed for the Work and charges against Contractor for delinquent payments.
- 5. Costs due to the negligence of Contractor, any Subcontractor, or anyone directly or indirectly employed by any of them or for whose acts any of them may be liable, including but not limited to, the correction of defective Work, disposal of materials or equipment wrongly supplied, and making good any damage to property.
- 6. Expenses incurred in preparing and advancing Claims.
- 7. Other overhead or general expense costs of any kind and the costs of any item not specifically and expressly included in Paragraph 13.01.B.

D. *Contractor's Fee*

- 1. When the Work as a whole is performed on the basis of cost-plus-a-fee, then:
  - a. Contractor's fee for the Work set forth in the Contract Documents as of the Effective Date of the Contract will be determined as set forth in the Agreement.
  - b. for any Work covered by a Change Order, Change Proposal, Claim, set-off, or other adjustment in Contract Price on the basis of Cost of the Work, Contractor's fee will be determined as follows:
    - 1) When the fee for the Work as a whole is a percentage of the Cost of the Work, the fee will automatically adjust as the Cost of the Work changes.
    - 2) When the fee for the Work as a whole is a fixed fee, the fee for any additions or deletions will be determined in accordance with Paragraph 11.07.C.2.
- 2. When the Work as a whole is performed on the basis of a stipulated sum, or any other basis other than cost-plus-a-fee, then Contractor's fee for any Work covered by a Change

Order, Change Proposal, Claim, set-off, or other adjustment in Contract Price on the basis of Cost of the Work will be determined in accordance with Paragraph 11.07.C.2.

- E. *Documentation and Audit:* Whenever the Cost of the Work for any purpose is to be determined pursuant to this Article 13, Contractor and pertinent Subcontractors will establish and maintain records of the costs in accordance with generally accepted accounting practices. Subject to prior written notice, Owner will be afforded reasonable access, during normal business hours, to all Contractor's accounts, records, books, correspondence, instructions, drawings, receipts, vouchers, memoranda, and similar data relating to the Cost of the Work and Contractor's fee. Contractor shall preserve all such documents for a period of three years after the final payment by Owner. Pertinent Subcontractors will afford such access to Owner, and preserve such documents, to the same extent required of Contractor.

### 13.02 Allowances

- A. It is understood that Contractor has included in the Contract Price all allowances so named in the Contract Documents and shall cause the Work so covered to be performed for such sums and by such persons or entities as may be acceptable to Owner and Engineer.
- B. *Cash Allowances:* Contractor agrees that:
1. the cash allowances include the cost to Contractor (less any applicable trade discounts) of materials and equipment required by the allowances to be delivered at the Site, and all applicable taxes; and
  2. Contractor's costs for unloading and handling on the Site, labor, installation, overhead, profit, and other expenses contemplated for the cash allowances have been included in the Contract Price and not in the allowances, and no demand for additional payment for any of the foregoing will be valid.
- C. *Owner's Contingency Allowance:* Contractor agrees that an Owner's contingency allowance, if any, is for the sole use of Owner to cover unanticipated costs.
- D. Prior to final payment, an appropriate Change Order will be issued as recommended by Engineer to reflect actual amounts due Contractor for Work covered by allowances, and the Contract Price will be correspondingly adjusted.

### 13.03 Unit Price Work

- A. Where the Contract Documents provide that all or part of the Work is to be Unit Price Work, initially the Contract Price will be deemed to include for all Unit Price Work an amount equal to the sum of the unit price for each separately identified item of Unit Price Work times the estimated quantity of each item as indicated in the Agreement.
- B. The estimated quantities of items of Unit Price Work are not guaranteed and are solely for the purpose of comparison of Bids and determining an initial Contract Price. Payments to Contractor for Unit Price Work will be based on actual quantities.
- C. Each unit price will be deemed to include an amount considered by Contractor to be adequate to cover Contractor's overhead and profit for each separately identified item.
- D. Engineer will determine the actual quantities and classifications of Unit Price Work performed by Contractor. Engineer will review with Contractor the Engineer's preliminary determinations on such matters before rendering a written decision thereon (by recommendation of an Application for Payment or otherwise). Engineer's written decision

thereon will be final and binding (except as modified by Engineer to reflect changed factual conditions or more accurate data) upon Owner and Contractor, and the final adjustment of Contract Price will be set forth in a Change Order, subject to the provisions of the following paragraph.

E. *Adjustments in Unit Price*

1. Contractor or Owner shall be entitled to an adjustment in the unit price with respect to an item of Unit Price Work if:
  - a. the quantity of the item of Unit Price Work performed by Contractor differs materially and significantly from the estimated quantity of such item indicated in the Agreement; and
  - b. Contractor's unit costs to perform the item of Unit Price Work have changed materially and significantly as a result of the quantity change.
2. The adjustment in unit price will account for and be coordinated with any related changes in quantities of other items of Work, and in Contractor's costs to perform such other Work, such that the resulting overall change in Contract Price is equitable to Owner and Contractor.
3. Adjusted unit prices will apply to all units of that item.

**ARTICLE 14—TESTS AND INSPECTIONS; CORRECTION, REMOVAL, OR ACCEPTANCE OF DEFECTIVE WORK**

14.01 *Access to Work*

- A. Owner, Engineer, their consultants and other representatives and personnel of Owner, independent testing laboratories, and authorities having jurisdiction have access to the Site and the Work at reasonable times for their observation, inspection, and testing. Contractor shall provide them proper and safe conditions for such access and advise them of Contractor's safety procedures and programs so that they may comply with such procedures and programs as applicable.

14.02 *Tests, Inspections, and Approvals*

- A. Contractor shall give Engineer timely notice of readiness of the Work (or specific parts thereof) for all required inspections and tests, and shall cooperate with inspection and testing personnel to facilitate required inspections and tests.
- B. Owner shall retain and pay for the services of an independent inspector, testing laboratory, or other qualified individual or entity to perform all inspections and tests expressly required by the Contract Documents to be furnished and paid for by Owner, except that costs incurred in connection with tests or inspections of covered Work will be governed by the provisions of Paragraph 14.05.
- C. If Laws or Regulations of any public body having jurisdiction require any Work (or part thereof) specifically to be inspected, tested, or approved by an employee or other representative of such public body, Contractor shall assume full responsibility for arranging and obtaining such inspections, tests, or approvals, pay all costs in connection therewith, and furnish Engineer the required certificates of inspection or approval.

- D. Contractor shall be responsible for arranging, obtaining, and paying for all inspections and tests required:
1. by the Contract Documents, unless the Contract Documents expressly allocate responsibility for a specific inspection or test to Owner;
  2. to attain Owner's and Engineer's acceptance of materials or equipment to be incorporated in the Work;
  3. by manufacturers of equipment furnished under the Contract Documents;
  4. for testing, adjusting, and balancing of mechanical, electrical, and other equipment to be incorporated into the Work; and
  5. for acceptance of materials, mix designs, or equipment submitted for approval prior to Contractor's purchase thereof for incorporation in the Work.

Such inspections and tests will be performed by independent inspectors, testing laboratories, or other qualified individuals or entities acceptable to Owner and Engineer.

- E. If the Contract Documents require the Work (or part thereof) to be approved by Owner, Engineer, or another designated individual or entity, then Contractor shall assume full responsibility for arranging and obtaining such approvals.
- F. If any Work (or the work of others) that is to be inspected, tested, or approved is covered by Contractor without written concurrence of Engineer, Contractor shall, if requested by Engineer, uncover such Work for observation. Such uncovering will be at Contractor's expense unless Contractor had given Engineer timely notice of Contractor's intention to cover the same and Engineer had not acted with reasonable promptness in response to such notice.

#### 14.03 *Defective Work*

- A. *Contractor's Obligation:* It is Contractor's obligation to assure that the Work is not defective.
- B. *Engineer's Authority:* Engineer has the authority to determine whether Work is defective, and to reject defective Work.
- C. *Notice of Defects:* Prompt written notice of all defective Work of which Owner or Engineer has actual knowledge will be given to Contractor.
- D. *Correction, or Removal and Replacement:* Promptly after receipt of written notice of defective Work, Contractor shall correct all such defective Work, whether or not fabricated, installed, or completed, or, if Engineer has rejected the defective Work, remove it from the Project and replace it with Work that is not defective.
- E. *Preservation of Warranties:* When correcting defective Work, Contractor shall take no action that would void or otherwise impair Owner's special warranty and guarantee, if any, on said Work.
- F. *Costs and Damages:* In addition to its correction, removal, and replacement obligations with respect to defective Work, Contractor shall pay all claims, costs, losses, and damages arising out of or relating to defective Work, including but not limited to the cost of the inspection, testing, correction, removal, replacement, or reconstruction of such defective Work, fines levied against Owner by governmental authorities because the Work is defective, and the costs of repair or replacement of work of others resulting from defective Work. Prior to final payment, if Owner and Contractor are unable to agree as to the measure of such claims, costs,

losses, and damages resulting from defective Work, then Owner may impose a reasonable set-off against payments due under Article 15.

#### 14.04 *Acceptance of Defective Work*

- A. If, instead of requiring correction or removal and replacement of defective Work, Owner prefers to accept it, Owner may do so (subject, if such acceptance occurs prior to final payment, to Engineer's confirmation that such acceptance is in general accord with the design intent and applicable engineering principles, and will not endanger public safety). Contractor shall pay all claims, costs, losses, and damages attributable to Owner's evaluation of and determination to accept such defective Work (such costs to be approved by Engineer as to reasonableness), and for the diminished value of the Work to the extent not otherwise paid by Contractor. If any such acceptance occurs prior to final payment, the necessary revisions in the Contract Documents with respect to the Work will be incorporated in a Change Order. If the parties are unable to agree as to the decrease in the Contract Price, reflecting the diminished value of Work so accepted, then Owner may impose a reasonable set-off against payments due under Article 15. If the acceptance of defective Work occurs after final payment, Contractor shall pay an appropriate amount to Owner.

#### 14.05 *Uncovering Work*

- A. Engineer has the authority to require additional inspection or testing of the Work, whether or not the Work is fabricated, installed, or completed.
- B. If any Work is covered contrary to the written request of Engineer, then Contractor shall, if requested by Engineer, uncover such Work for Engineer's observation, and then replace the covering, all at Contractor's expense.
- C. If Engineer considers it necessary or advisable that covered Work be observed by Engineer or inspected or tested by others, then Contractor, at Engineer's request, shall uncover, expose, or otherwise make available for observation, inspection, or testing as Engineer may require, that portion of the Work in question, and provide all necessary labor, material, and equipment.
  - 1. If it is found that the uncovered Work is defective, Contractor shall be responsible for all claims, costs, losses, and damages arising out of or relating to such uncovering, exposure, observation, inspection, and testing, and of satisfactory replacement or reconstruction (including but not limited to all costs of repair or replacement of work of others); and pending Contractor's full discharge of this responsibility the Owner shall be entitled to impose a reasonable set-off against payments due under Article 15.
  - 2. If the uncovered Work is not found to be defective, Contractor shall be allowed an increase in the Contract Price or an extension of the Contract Times, directly attributable to such uncovering, exposure, observation, inspection, testing, replacement, and reconstruction. If the parties are unable to agree as to the amount or extent thereof, then Contractor may submit a Change Proposal within 30 days of the determination that the Work is not defective.

#### 14.06 *Owner May Stop the Work*

- A. If the Work is defective, or Contractor fails to supply sufficient skilled workers or suitable materials or equipment, or fails to perform the Work in such a way that the completed Work will conform to the Contract Documents, then Owner may order Contractor to stop the Work,

or any portion thereof, until the cause for such order has been eliminated; however, this right of Owner to stop the Work will not give rise to any duty on the part of Owner to exercise this right for the benefit of Contractor, any Subcontractor, any Supplier, any other individual or entity, or any surety for, or employee or agent of any of them.

**14.07 Owner May Correct Defective Work**

- A. If Contractor fails within a reasonable time after written notice from Engineer to correct defective Work, or to remove and replace defective Work as required by Engineer, then Owner may, after 7 days' written notice to Contractor, correct or remedy any such deficiency.
- B. In exercising the rights and remedies under this Paragraph 14.07, Owner shall proceed expeditiously. In connection with such corrective or remedial action, Owner may exclude Contractor from all or part of the Site, take possession of all or part of the Work and suspend Contractor's services related thereto, and incorporate in the Work all materials and equipment stored at the Site or for which Owner has paid Contractor but which are stored elsewhere. Contractor shall allow Owner, Owner's representatives, agents and employees, Owner's other contractors, and Engineer and Engineer's consultants access to the Site to enable Owner to exercise the rights and remedies under this paragraph.
- C. All claims, costs, losses, and damages incurred or sustained by Owner in exercising the rights and remedies under this Paragraph 14.07 will be charged against Contractor as set-offs against payments due under Article 15. Such claims, costs, losses and damages will include but not be limited to all costs of repair, or replacement of work of others destroyed or damaged by correction, removal, or replacement of Contractor's defective Work.
- D. Contractor shall not be allowed an extension of the Contract Times because of any delay in the performance of the Work attributable to the exercise by Owner of Owner's rights and remedies under this Paragraph 14.07.

**ARTICLE 15—PAYMENTS TO CONTRACTOR; SET-OFFS; COMPLETION; CORRECTION PERIOD**

**15.01 Progress Payments**

- A. *Basis for Progress Payments:* The Schedule of Values established as provided in Article 2 will serve as the basis for progress payments and will be incorporated into a form of Application for Payment acceptable to Engineer. Progress payments for Unit Price Work will be based on the number of units completed during the pay period, as determined under the provisions of Paragraph 13.03. Progress payments for cost-based Work will be based on Cost of the Work completed by Contractor during the pay period.
- B. *Applications for Payments*
  - 1. At least 20 days before the date established in the Agreement for each progress payment (but not more often than once a month), Contractor shall submit to Engineer for review an Application for Payment filled out and signed by Contractor covering the Work completed as of the date of the Application and accompanied by such supporting documentation as is required by the Contract Documents.
  - 2. If payment is requested on the basis of materials and equipment not incorporated in the Work but delivered and suitably stored at the Site or at another location agreed to in writing, the Application for Payment must also be accompanied by: (a) a bill of sale, invoice, copies of subcontract or purchase order payments, or other documentation

establishing full payment by Contractor for the materials and equipment; (b) at Owner's request, documentation warranting that Owner has received the materials and equipment free and clear of all Liens; and (c) evidence that the materials and equipment are covered by appropriate property insurance, a warehouse bond, or other arrangements to protect Owner's interest therein, all of which must be satisfactory to Owner.

3. Beginning with the second Application for Payment, each Application must include an affidavit of Contractor stating that all previous progress payments received by Contractor have been applied to discharge Contractor's legitimate obligations associated with prior Applications for Payment.
4. The amount of retainage with respect to progress payments will be as stipulated in the Agreement.

C. *Review of Applications*

1. Engineer will, within 10 days after receipt of each Application for Payment, including each resubmittal, either indicate in writing a recommendation of payment and present the Application to Owner, or return the Application to Contractor indicating in writing Engineer's reasons for refusing to recommend payment. In the latter case, Contractor may make the necessary corrections and resubmit the Application.
2. Engineer's recommendation of any payment requested in an Application for Payment will constitute a representation by Engineer to Owner, based on Engineer's observations of the executed Work as an experienced and qualified design professional, and on Engineer's review of the Application for Payment and the accompanying data and schedules, that to the best of Engineer's knowledge, information and belief:
  - a. the Work has progressed to the point indicated;
  - b. the quality of the Work is generally in accordance with the Contract Documents (subject to an evaluation of the Work as a functioning whole prior to or upon Substantial Completion, the results of any subsequent tests called for in the Contract Documents, a final determination of quantities and classifications for Unit Price Work under Paragraph 13.03, and any other qualifications stated in the recommendation); and
  - c. the conditions precedent to Contractor's being entitled to such payment appear to have been fulfilled in so far as it is Engineer's responsibility to observe the Work.
3. By recommending any such payment Engineer will not thereby be deemed to have represented that:
  - a. inspections made to check the quality or the quantity of the Work as it has been performed have been exhaustive, extended to every aspect of the Work in progress, or involved detailed inspections of the Work beyond the responsibilities specifically assigned to Engineer in the Contract; or
  - b. there may not be other matters or issues between the parties that might entitle Contractor to be paid additionally by Owner or entitle Owner to withhold payment to Contractor.

4. Neither Engineer's review of Contractor's Work for the purposes of recommending payments nor Engineer's recommendation of any payment, including final payment, will impose responsibility on Engineer:
    - a. to supervise, direct, or control the Work;
    - b. for the means, methods, techniques, sequences, or procedures of construction, or the safety precautions and programs incident thereto;
    - c. for Contractor's failure to comply with Laws and Regulations applicable to Contractor's performance of the Work;
    - d. to make any examination to ascertain how or for what purposes Contractor has used the money paid by Owner; or
    - e. to determine that title to any of the Work, materials, or equipment has passed to Owner free and clear of any Liens.
  5. Engineer may refuse to recommend the whole or any part of any payment if, in Engineer's opinion, it would be incorrect to make the representations to Owner stated in Paragraph 15.01.C.2.
  6. Engineer will recommend reductions in payment (set-offs) necessary in Engineer's opinion to protect Owner from loss because:
    - a. the Work is defective, requiring correction or replacement;
    - b. the Contract Price has been reduced by Change Orders;
    - c. Owner has been required to correct defective Work in accordance with Paragraph 14.07, or has accepted defective Work pursuant to Paragraph 14.04;
    - d. Owner has been required to remove or remediate a Hazardous Environmental Condition for which Contractor is responsible; or
    - e. Engineer has actual knowledge of the occurrence of any of the events that would constitute a default by Contractor and therefore justify termination for cause under the Contract Documents.
- D. *Payment Becomes Due*
1. Ten days after presentation of the Application for Payment to Owner with Engineer's recommendation, the amount recommended (subject to any Owner set-offs) will become due, and when due will be paid by Owner to Contractor.
- E. *Reductions in Payment by Owner*
1. In addition to any reductions in payment (set-offs) recommended by Engineer, Owner is entitled to impose a set-off against payment based on any of the following:
    - a. Claims have been made against Owner based on Contractor's conduct in the performance or furnishing of the Work, or Owner has incurred costs, losses, or damages resulting from Contractor's conduct in the performance or furnishing of the Work, including but not limited to claims, costs, losses, or damages from workplace injuries, adjacent property damage, non-compliance with Laws and Regulations, and patent infringement;

- b. Contractor has failed to take reasonable and customary measures to avoid damage, delay, disruption, and interference with other work at or adjacent to the Site;
  - c. Contractor has failed to provide and maintain required bonds or insurance;
  - d. Owner has been required to remove or remediate a Hazardous Environmental Condition for which Contractor is responsible;
  - e. Owner has incurred extra charges or engineering costs related to submittal reviews, evaluations of proposed substitutes, tests and inspections, or return visits to manufacturing or assembly facilities;
  - f. The Work is defective, requiring correction or replacement;
  - g. Owner has been required to correct defective Work in accordance with Paragraph 14.07, or has accepted defective Work pursuant to Paragraph 14.04;
  - h. The Contract Price has been reduced by Change Orders;
  - i. An event has occurred that would constitute a default by Contractor and therefore justify a termination for cause;
  - j. Liquidated or other damages have accrued as a result of Contractor's failure to achieve Milestones, Substantial Completion, or final completion of the Work;
  - k. Liens have been filed in connection with the Work, except where Contractor has delivered a specific bond satisfactory to Owner to secure the satisfaction and discharge of such Liens; or
  - l. Other items entitle Owner to a set-off against the amount recommended.
2. If Owner imposes any set-off against payment, whether based on its own knowledge or on the written recommendations of Engineer, Owner will give Contractor immediate written notice (with a copy to Engineer) stating the reasons for such action and the specific amount of the reduction, and promptly pay Contractor any amount remaining after deduction of the amount so withheld. Owner shall promptly pay Contractor the amount so withheld, or any adjustment thereto agreed to by Owner and Contractor, if Contractor remedies the reasons for such action. The reduction imposed will be binding on Contractor unless it duly submits a Change Proposal contesting the reduction.
3. Upon a subsequent determination that Owner's refusal of payment was not justified, the amount wrongfully withheld will be treated as an amount due as determined by Paragraph 15.01.D.1 and subject to interest as provided in the Agreement.

#### 15.02 *Contractor's Warranty of Title*

- A. Contractor warrants and guarantees that title to all Work, materials, and equipment furnished under the Contract will pass to Owner free and clear of (1) all Liens and other title defects, and (2) all patent, licensing, copyright, or royalty obligations, no later than 7 days after the time of payment by Owner.

#### 15.03 *Substantial Completion*

- A. When Contractor considers the entire Work ready for its intended use Contractor shall notify Owner and Engineer in writing that the entire Work is substantially complete and request that Engineer issue a certificate of Substantial Completion. Contractor shall at the same time

submit to Owner and Engineer an initial draft of punch list items to be completed or corrected before final payment.

- B. Promptly after Contractor's notification, Owner, Contractor, and Engineer shall make an inspection of the Work to determine the status of completion. If Engineer does not consider the Work substantially complete, Engineer will notify Contractor in writing giving the reasons therefor.
- C. If Engineer considers the Work substantially complete, Engineer will deliver to Owner a preliminary certificate of Substantial Completion which will fix the date of Substantial Completion. Engineer shall attach to the certificate a punch list of items to be completed or corrected before final payment. Owner shall have 7 days after receipt of the preliminary certificate during which to make written objection to Engineer as to any provisions of the certificate or attached punch list. If, after considering the objections to the provisions of the preliminary certificate, Engineer concludes that the Work is not substantially complete, Engineer will, within 14 days after submission of the preliminary certificate to Owner, notify Contractor in writing that the Work is not substantially complete, stating the reasons therefor. If Owner does not object to the provisions of the certificate, or if despite consideration of Owner's objections Engineer concludes that the Work is substantially complete, then Engineer will, within said 14 days, execute and deliver to Owner and Contractor a final certificate of Substantial Completion (with a revised punch list of items to be completed or corrected) reflecting such changes from the preliminary certificate as Engineer believes justified after consideration of any objections from Owner.
- D. At the time of receipt of the preliminary certificate of Substantial Completion, Owner and Contractor will confer regarding Owner's use or occupancy of the Work following Substantial Completion, review the builder's risk insurance policy with respect to the end of the builder's risk coverage, and confirm the transition to coverage of the Work under a permanent property insurance policy held by Owner. Unless Owner and Contractor agree otherwise in writing, Owner shall bear responsibility for security, operation, protection of the Work, property insurance, maintenance, heat, and utilities upon Owner's use or occupancy of the Work.
- E. After Substantial Completion the Contractor shall promptly begin work on the punch list of items to be completed or corrected prior to final payment. In appropriate cases Contractor may submit monthly Applications for Payment for completed punch list items, following the progress payment procedures set forth above.
- F. Owner shall have the right to exclude Contractor from the Site after the date of Substantial Completion subject to allowing Contractor reasonable access to remove its property and complete or correct items on the punch list.

#### 15.04 *Partial Use or Occupancy*

- A. Prior to Substantial Completion of all the Work, Owner may use or occupy any substantially completed part of the Work which has specifically been identified in the Contract Documents, or which Owner, Engineer, and Contractor agree constitutes a separately functioning and usable part of the Work that can be used by Owner for its intended purpose without

significant interference with Contractor's performance of the remainder of the Work, subject to the following conditions:

1. At any time, Owner may request in writing that Contractor permit Owner to use or occupy any such part of the Work that Owner believes to be substantially complete. If and when Contractor agrees that such part of the Work is substantially complete, Contractor, Owner, and Engineer will follow the procedures of Paragraph 15.03.A through 15.03.E for that part of the Work.
2. At any time, Contractor may notify Owner and Engineer in writing that Contractor considers any such part of the Work substantially complete and request Engineer to issue a certificate of Substantial Completion for that part of the Work.
3. Within a reasonable time after either such request, Owner, Contractor, and Engineer shall make an inspection of that part of the Work to determine its status of completion. If Engineer does not consider that part of the Work to be substantially complete, Engineer will notify Owner and Contractor in writing giving the reasons therefor. If Engineer considers that part of the Work to be substantially complete, the provisions of Paragraph 15.03 will apply with respect to certification of Substantial Completion of that part of the Work and the division of responsibility in respect thereof and access thereto.
4. No use or occupancy or separate operation of part of the Work may occur prior to compliance with the requirements of Paragraph 6.04 regarding builder's risk or other property insurance.

15.05 *Final Inspection*

- A. Upon written notice from Contractor that the entire Work or an agreed portion thereof is complete, Engineer will promptly make a final inspection with Owner and Contractor and will notify Contractor in writing of all particulars in which this inspection reveals that the Work, or agreed portion thereof, is incomplete or defective. Contractor shall immediately take such measures as are necessary to complete such Work or remedy such deficiencies.

15.06 *Final Payment*

A. *Application for Payment*

1. After Contractor has, in the opinion of Engineer, satisfactorily completed all corrections identified during the final inspection and has delivered, in accordance with the Contract Documents, all maintenance and operating instructions, schedules, guarantees, bonds, certificates or other evidence of insurance, certificates of inspection, annotated record documents (as provided in Paragraph 7.12), and other documents, Contractor may make application for final payment.
2. The final Application for Payment must be accompanied (except as previously delivered) by:
  - a. all documentation called for in the Contract Documents;
  - b. consent of the surety, if any, to final payment;
  - c. satisfactory evidence that all title issues have been resolved such that title to all Work, materials, and equipment has passed to Owner free and clear of any Liens or other title defects, or will so pass upon final payment.

- d. a list of all duly pending Change Proposals and Claims; and
  - e. complete and legally effective releases or waivers (satisfactory to Owner) of all Lien rights arising out of the Work, and of Liens filed in connection with the Work.
3. In lieu of the releases or waivers of Liens specified in Paragraph 15.06.A.2 and as approved by Owner, Contractor may furnish receipts or releases in full and an affidavit of Contractor that: (a) the releases and receipts include all labor, services, material, and equipment for which a Lien could be filed; and (b) all payrolls, material and equipment bills, and other indebtedness connected with the Work for which Owner might in any way be responsible, or which might in any way result in liens or other burdens on Owner's property, have been paid or otherwise satisfied. If any Subcontractor or Supplier fails to furnish such a release or receipt in full, Contractor may furnish a bond or other collateral satisfactory to Owner to indemnify Owner against any Lien, or Owner at its option may issue joint checks payable to Contractor and specified Subcontractors and Suppliers.
- B. *Engineer's Review of Final Application and Recommendation of Payment:* If, on the basis of Engineer's observation of the Work during construction and final inspection, and Engineer's review of the final Application for Payment and accompanying documentation as required by the Contract Documents, Engineer is satisfied that the Work has been completed and Contractor's other obligations under the Contract have been fulfilled, Engineer will, within 10 days after receipt of the final Application for Payment, indicate in writing Engineer's recommendation of final payment and present the final Application for Payment to Owner for payment. Such recommendation will account for any set-offs against payment that are necessary in Engineer's opinion to protect Owner from loss for the reasons stated above with respect to progress payments. Otherwise, Engineer will return the Application for Payment to Contractor, indicating in writing the reasons for refusing to recommend final payment, in which case Contractor shall make the necessary corrections and resubmit the Application for Payment.
- C. *Notice of Acceptability:* In support of its recommendation of payment of the final Application for Payment, Engineer will also give written notice to Owner and Contractor that the Work is acceptable, subject to stated limitations in the notice and to the provisions of Paragraph 15.07.
- D. *Completion of Work:* The Work is complete (subject to surviving obligations) when it is ready for final payment as established by the Engineer's written recommendation of final payment and issuance of notice of the acceptability of the Work.
- E. *Final Payment Becomes Due:* Upon receipt from Engineer of the final Application for Payment and accompanying documentation, Owner shall set off against the amount recommended by Engineer for final payment any further sum to which Owner is entitled, including but not limited to set-offs for liquidated damages and set-offs allowed under the provisions of this Contract with respect to progress payments. Owner shall pay the resulting balance due to Contractor within 30 days of Owner's receipt of the final Application for Payment from Engineer.

#### 15.07 *Waiver of Claims*

- A. By making final payment, Owner waives its claim or right to liquidated damages or other damages for late completion by Contractor, except as set forth in an outstanding Claim,

appeal under the provisions of Article 17, set-off, or express reservation of rights by Owner. Owner reserves all other claims or rights after final payment.

- B. The acceptance of final payment by Contractor will constitute a waiver by Contractor of all claims and rights against Owner other than those pending matters that have been duly submitted as a Claim, or appealed under the provisions of Article 17.

#### 15.08 *Correction Period*

- A. If within one year after the date of Substantial Completion (or such longer period of time as may be prescribed by the Supplementary Conditions or the terms of any applicable special guarantee required by the Contract Documents), Owner gives Contractor written notice that any Work has been found to be defective, or that Contractor's repair of any damages to the Site or adjacent areas has been found to be defective, then after receipt of such notice of defect Contractor shall promptly, without cost to Owner and in accordance with Owner's written instructions:
  - 1. correct the defective repairs to the Site or such adjacent areas;
  - 2. correct such defective Work;
  - 3. remove the defective Work from the Project and replace it with Work that is not defective, if the defective Work has been rejected by Owner, and
  - 4. satisfactorily correct or repair or remove and replace any damage to other Work, to the work of others, or to other land or areas resulting from the corrective measures.
- B. Owner shall give any such notice of defect within 60 days of the discovery that such Work or repairs is defective. If such notice is given within such 60 days but after the end of the correction period, the notice will be deemed a notice of defective Work under Paragraph 7.17.B.
- C. If, after receipt of a notice of defect within 60 days and within the correction period, Contractor does not promptly comply with the terms of Owner's written instructions, or in an emergency where delay would cause serious risk of loss or damage, Owner may have the defective Work corrected or repaired or may have the rejected Work removed and replaced. Contractor shall pay all costs, losses, and damages (including but not limited to all fees and charges of engineers, architects, attorneys, and other professionals and all court or arbitration or other dispute resolution costs) arising out of or relating to such correction or repair or such removal and replacement (including but not limited to all costs of repair or replacement of work of others). Contractor's failure to pay such costs, losses, and damages within 10 days of invoice from Owner will be deemed the start of an event giving rise to a Claim under Paragraph 12.01.B, such that any related Claim must be brought within 30 days of the failure to pay.
- D. In special circumstances where a particular item of equipment is placed in continuous service before Substantial Completion of all the Work, the correction period for that item may start to run from an earlier date if so provided in the Specifications.
- E. Where defective Work (and damage to other Work resulting therefrom) has been corrected or removed and replaced under this paragraph, the correction period hereunder with respect to such Work will be extended for an additional period of one year after such correction or removal and replacement has been satisfactorily completed.

- F. Contractor's obligations under this paragraph are in addition to all other obligations and warranties. The provisions of this paragraph are not to be construed as a substitute for, or a waiver of, the provisions of any applicable statute of limitation or repose.

## **ARTICLE 16—SUSPENSION OF WORK AND TERMINATION**

### **16.01 *Owner May Suspend Work***

- A. At any time and without cause, Owner may suspend the Work or any portion thereof for a period of not more than 90 consecutive days by written notice to Contractor and Engineer. Such notice will fix the date on which Work will be resumed. Contractor shall resume the Work on the date so fixed. Contractor shall be entitled to an adjustment in the Contract Price or an extension of the Contract Times directly attributable to any such suspension. Any Change Proposal seeking such adjustments must be submitted no later than 30 days after the date fixed for resumption of Work.

### **16.02 *Owner May Terminate for Cause***

- A. The occurrence of any one or more of the following events will constitute a default by Contractor and justify termination for cause:
  - 1. Contractor's persistent failure to perform the Work in accordance with the Contract Documents (including, but not limited to, failure to supply sufficient skilled workers or suitable materials or equipment, or failure to adhere to the Progress Schedule);
  - 2. Failure of Contractor to perform or otherwise to comply with a material term of the Contract Documents;
  - 3. Contractor's disregard of Laws or Regulations of any public body having jurisdiction; or
  - 4. Contractor's repeated disregard of the authority of Owner or Engineer.
- B. If one or more of the events identified in Paragraph 16.02.A occurs, then after giving Contractor (and any surety) 10 days' written notice that Owner is considering a declaration that Contractor is in default and termination of the Contract, Owner may proceed to:
  - 1. declare Contractor to be in default, and give Contractor (and any surety) written notice that the Contract is terminated; and
  - 2. enforce the rights available to Owner under any applicable performance bond.
- C. Subject to the terms and operation of any applicable performance bond, if Owner has terminated the Contract for cause, Owner may exclude Contractor from the Site, take possession of the Work, incorporate in the Work all materials and equipment stored at the Site or for which Owner has paid Contractor but which are stored elsewhere, and complete the Work as Owner may deem expedient.
- D. Owner may not proceed with termination of the Contract under Paragraph 16.02.B if Contractor within 7 days of receipt of notice of intent to terminate begins to correct its failure to perform and proceeds diligently to cure such failure.
- E. If Owner proceeds as provided in Paragraph 16.02.B, Contractor shall not be entitled to receive any further payment until the Work is completed. If the unpaid balance of the Contract Price exceeds the cost to complete the Work, including all related claims, costs, losses, and damages (including but not limited to all fees and charges of engineers, architects,

attorneys, and other professionals) sustained by Owner, such excess will be paid to Contractor. If the cost to complete the Work including such related claims, costs, losses, and damages exceeds such unpaid balance, Contractor shall pay the difference to Owner. Such claims, costs, losses, and damages incurred by Owner will be reviewed by Engineer as to their reasonableness and, when so approved by Engineer, incorporated in a Change Order. When exercising any rights or remedies under this paragraph, Owner shall not be required to obtain the lowest price for the Work performed.

- F. Where Contractor's services have been so terminated by Owner, the termination will not affect any rights or remedies of Owner against Contractor then existing or which may thereafter accrue, or any rights or remedies of Owner against Contractor or any surety under any payment bond or performance bond. Any retention or payment of money due Contractor by Owner will not release Contractor from liability.
- G. If and to the extent that Contractor has provided a performance bond under the provisions of Paragraph 6.01.A, the provisions of that bond will govern over any inconsistent provisions of Paragraphs 16.02.B and 16.02.D.

#### 16.03 *Owner May Terminate for Convenience*

- A. Upon 7 days' written notice to Contractor and Engineer, Owner may, without cause and without prejudice to any other right or remedy of Owner, terminate the Contract. In such case, Contractor shall be paid for (without duplication of any items):
  - 1. completed and acceptable Work executed in accordance with the Contract Documents prior to the effective date of termination, including fair and reasonable sums for overhead and profit on such Work;
  - 2. expenses sustained prior to the effective date of termination in performing services and furnishing labor, materials, or equipment as required by the Contract Documents in connection with uncompleted Work, plus fair and reasonable sums for overhead and profit on such expenses; and
  - 3. other reasonable expenses directly attributable to termination, including costs incurred to prepare a termination for convenience cost proposal.
- B. Contractor shall not be paid for any loss of anticipated profits or revenue, post-termination overhead costs, or other economic loss arising out of or resulting from such termination.

#### 16.04 *Contractor May Stop Work or Terminate*

- A. If, through no act or fault of Contractor, (1) the Work is suspended for more than 90 consecutive days by Owner or under an order of court or other public authority, or (2) Engineer fails to act on any Application for Payment within 30 days after it is submitted, or (3) Owner fails for 30 days to pay Contractor any sum finally determined to be due, then Contractor may, upon 7 days' written notice to Owner and Engineer, and provided Owner or Engineer do not remedy such suspension or failure within that time, terminate the contract and recover from Owner payment on the same terms as provided in Paragraph 16.03.
- B. In lieu of terminating the Contract and without prejudice to any other right or remedy, if Engineer has failed to act on an Application for Payment within 30 days after it is submitted, or Owner has failed for 30 days to pay Contractor any sum finally determined to be due, Contractor may, 7 days after written notice to Owner and Engineer, stop the Work until payment is made of all such amounts due Contractor, including interest thereon. The

provisions of this paragraph are not intended to preclude Contractor from submitting a Change Proposal for an adjustment in Contract Price or Contract Times or otherwise for expenses or damage directly attributable to Contractor's stopping the Work as permitted by this paragraph.

## **ARTICLE 17—FINAL RESOLUTION OF DISPUTES**

### **17.01 *Methods and Procedures***

- A. *Disputes Subject to Final Resolution:* The following disputed matters are subject to final resolution under the provisions of this article:
1. A timely appeal of an approval in part and denial in part of a Claim, or of a denial in full, pursuant to Article 12; and
  2. Disputes between Owner and Contractor concerning the Work, or obligations under the Contract Documents, that arise after final payment has been made.
- B. *Final Resolution of Disputes:* For any dispute subject to resolution under this article, Owner or Contractor may:
1. elect in writing to invoke the dispute resolution process provided for in the Supplementary Conditions;
  2. agree with the other party to submit the dispute to another dispute resolution process; or
  3. if no dispute resolution process is provided for in the Supplementary Conditions or mutually agreed to, give written notice to the other party of the intent to submit the dispute to a court of competent jurisdiction.

## **ARTICLE 18—MISCELLANEOUS**

### **18.01 *Giving Notice***

- A. Whenever any provision of the Contract requires the giving of written notice to Owner, Engineer, or Contractor, it will be deemed to have been validly given only if delivered:
1. in person, by a commercial courier service or otherwise, to the recipient's place of business;
  2. by registered or certified mail, postage prepaid, to the recipient's place of business; or
  3. by e-mail to the recipient, with the words "Formal Notice" or similar in the e-mail's subject line.

### **18.02 *Computation of Times***

- A. When any period of time is referred to in the Contract by days, it will be computed to exclude the first and include the last day of such period. If the last day of any such period falls on a Saturday or Sunday or on a day made a legal holiday by the law of the applicable jurisdiction, such day will be omitted from the computation.

18.03 *Cumulative Remedies*

- A. The duties and obligations imposed by these General Conditions and the rights and remedies available hereunder to the parties hereto are in addition to, and are not to be construed in any way as a limitation of, any rights and remedies available to any or all of them which are otherwise imposed or available by Laws or Regulations, by special warranty or guarantee, or by other provisions of the Contract. The provisions of this paragraph will be as effective as if repeated specifically in the Contract Documents in connection with each particular duty, obligation, right, and remedy to which they apply.

18.04 *Limitation of Damages*

- A. With respect to any and all Change Proposals, Claims, disputes subject to final resolution, and other matters at issue, neither Owner nor Engineer, nor any of their officers, directors, members, partners, employees, agents, consultants, or subcontractors, shall be liable to Contractor for any claims, costs, losses, or damages sustained by Contractor on or in connection with any other project or anticipated project.

18.05 *No Waiver*

- A. A party's non-enforcement of any provision will not constitute a waiver of that provision, nor will it affect the enforceability of that provision or of the remainder of this Contract.

18.06 *Survival of Obligations*

- A. All representations, indemnifications, warranties, and guarantees made in, required by, or given in accordance with the Contract, as well as all continuing obligations indicated in the Contract, will survive final payment, completion, and acceptance of the Work or termination of the Contract or of the services of Contractor.

18.07 *Controlling Law*

- A. This Contract is to be governed by the law of the state in which the Project is located.

18.08 *Assignment of Contract*

- A. Unless expressly agreed to elsewhere in the Contract, no assignment by a party to this Contract of any rights under or interests in the Contract will be binding on the other party without the written consent of the party sought to be bound; and, specifically but without limitation, money that may become due and money that is due may not be assigned without such consent (except to the extent that the effect of this restriction may be limited by law), and unless specifically stated to the contrary in any written consent to an assignment, no assignment will release or discharge the assignor from any duty or responsibility under the Contract.

18.09 *Successors and Assigns*

- A. Owner and Contractor each binds itself, its successors, assigns, and legal representatives to the other party hereto, its successors, assigns, and legal representatives in respect to all covenants, agreements, and obligations contained in the Contract Documents.

18.10 *Headings*

- A. Article and paragraph headings are inserted for convenience only and do not constitute parts of these General Conditions.

# SUPPLEMENTARY CONDITIONS OF THE CONSTRUCTION CONTRACT

## TABLE OF CONTENTS

	Page
Article 1— Definitions and Terminology.....	1
Article 2— Preliminary Matters .....	1
Article 3— Contract documents: inetent, requirements.....	1
Article 4— Commencement and Progress of the Work .....	1
Article 5— Site, Subsurface and Physical Conditions, Hazardous Environmental Conditions.....	2
Article 6— Bonds and Insurance.....	4
Article 7— Contractor’s responsibilities .....	8
Article 8— Other Work at the Site.....	11
Article 9— Owner’s responsibilities.....	11
Article 10— Engineer’s Status During Construction .....	11
Article 11— Changes to the Contract .....	12
Article 12— Claims.....	13
Article 13— Cost of Work; Allowances, Unit Price Work.....	14
Article 14— Tests and Inspections; Correction, Removal, or Acceptance of Defective Work.....	15
Article 15— Payments to Contractor, Set Offs; Completions; Correction Period .....	16
Article 16— Suspension of Work and Termination .....	16
Article 17— Final Resolutions of disputes .....	16
Article 18— Miscellaneous .....	16

## SUPPLEMENTARY CONDITIONS OF THE CONSTRUCTION CONTRACT

These Supplementary Conditions amend or supplement EJCDC® C-700, Standard General Conditions of the Construction Contract (2018). The General Conditions remain in full force and effect except as amended.

The terms used in these Supplementary Conditions have the meanings stated in the General Conditions. Additional terms used in these Supplementary Conditions have the meanings stated below, which are applicable to both the singular and plural thereof.

The address system used in these Supplementary Conditions is the same as the address system used in the General Conditions, with the prefix "SC" added—for example, "Paragraph SC-4.05."

### ARTICLE 1—DEFINITIONS AND TERMINOLOGY

No Supplementary Conditions in this Article.

### ARTICLE 2—PRELIMINARY MATTERS

#### 2.02 *Copies of Documents*

SC-2.02 Amend the first sentence of Paragraph 2.02.A. to read as follows:

"Owner shall furnish to Contractor two printed copies of the Contract Documents (including one fully signed counterpart of the Agreement), and one in electronic portable document format (PDF)."

#### 2.06 *Electronic Transmittals*

SC-2.06 Add the following new paragraphs immediately after Paragraph 2.06.C:

"D. Any electronic files provided to the contractor which are not part of the contract documents, including AutoCAD .dwg files, are provided for the sole use of the Contractor. Owner and Engineer assume no responsibility for the accuracy or completeness of files, and any reuse of such electronic data for any purpose shall be at the at Recipient's sole risk. In the case of any discrepancies or defects in the files, the hard copy files shall govern."

### ARTICLE 3—CONTRACT DOCUMENTS: INETENT, REQUIREMENTS

No Supplementary Conditions in this Article.

### ARTICLE 4—COMMENCEMENT AND PROGRESS OF THE WORK

#### 4.03 *Reference Points*

SC-4.03 Add the following language to the end of paragraph 4.03A:

“Contractor shall be responsible for all construction survey, staking, and layout under the construction surveying item. Any land monuments destroyed or moved by the Contractor shall be reset by a registered Colorado land surveyor at the Contractor’s expense.”

4.05 *Delays in Contractor’s Progress*

SC-4.05 Amend Paragraph 4.05.C by adding the following subparagraphs:

“5. *Weather-Related Delays*

- a. If “abnormal weather conditions” as set forth in Paragraph 4.05.C.2 of the General Conditions are the basis for a request for an equitable adjustment in the Contract Times, such request must be documented by data substantiating each of the following: 1) that weather conditions were abnormal for the period of time in which the delay occurred, 2) that such weather conditions could not have been reasonably anticipated, and 3) that such weather conditions had an adverse effect on the Work as scheduled.
- b. The existence of abnormal weather conditions will be determined on a month-by-month basis in accordance with the following:
  - 1) Every workday on which the following conditions exist will be considered a “bad weather day”:
    - i) Total precipitation (as rain equivalent) occurring between 7:00 p.m. on the preceding day (regardless of whether such preceding day is a workday) through 7:00 p.m. on the workday in question equals or exceeds 0.50 inches of precipitation (as rain equivalent, based on the snow/rain conversion of 8 inches snow/1 inch of rain equivalent).
  - 2) Determination of actual bad weather days during performance of the Work will be based on the weather records measured and recorded by the nearest weather monitoring station or by engineer’s daily reports.
  - 3) In each month, every bad weather day exceeding seven days per month will be considered as “abnormal weather conditions.” The existence of abnormal weather conditions will not relieve Contractor of the obligation to demonstrate and document that delays caused by abnormal weather are specific to the planned work activities or that such activities thus delayed were on Contractor’s then-current Progress Schedule’s critical path for the Project.
- c. Abnormal weather conditions may give rise to an adjustment in contract time. Abnormal weather conditions will not give rise to an adjustment in contract cost.”

**ARTICLE 5—SITE, SUBSURFACE AND PHYSICAL CONDITIONS, HAZARDOUS ENVIRONMENTAL CONDITIONS**

5.02 *Use of Site and Other Areas*

SC-5.02 Add the following language to the end of paragraph 5.02.A.1:

“The Contractor is responsible for obtaining any storage or staging areas that cannot be located on the Site or easements. The Contractor shall provide copies of agreements with the owners of the property where these activities are taking place.”

5.03 *Subsurface and Physical Conditions*

SC-5.03 Add the following new paragraphs immediately after Paragraph 5.03.D:

“E. The following table lists the reports of explorations and tests of subsurface conditions at or adjacent to the Site that contain Technical Data, and specifically identifies the Technical Data in the report upon which Contractor may rely: **[If there are no such reports, so indicate in the table.]**

Report Title	Date of Report	Technical Data
		[Identify Technical Data]

F. The following table lists the drawings of existing physical conditions at or adjacent to the Site, including those drawings depicting existing surface or subsurface structures at or adjacent to the Site (except Underground Facilities), that contain Technical Data, and specifically identifies the Technical Data upon which Contractor may rely: **[If there are no such drawings, so indicate in the table.]**

Drawings Title	Date of Drawings	Technical Data
		[Identify Technical Data]

G. Contractor may examine copies of reports and drawings identified in SC-5.03.E and SC-5.03.F that were not included with the Bidding Documents at 1095 Airport Road, Breckenridge, CO 80424 during regular business hours, or may request copies from Engineer.”

5.05 *Underground Facilities*

SC-5.03 Add the following new paragraph immediately after Paragraph 5.05.A.5

“6. “The plans and contract documents may not show all existing utilities and the Town does not warranty the accuracy of any utility locations and mapping. The Town assumes no liability for any utilities not shown on the contract documents or shown incorrectly on any documents. It is the Contractor’s sole responsibility to verify all utility locations before beginning the work. Major utility companies service Breckenridge are as follows:

- Water – Town of Breckenridge Water Division
- Wastewater – Upper Blue Sanitation District
- Electric and Gas – Xcel Energy
- Telecommunication – Xfinity, Lumen, and Allo Communications (Breck 9600)”

5.06 *Hazardous Environmental Conditions*

---

Exhibit C—Geotechnical Baseline Report Supplement to the Supplementary Conditions.  
 EJCDC® C-800, Supplementary Conditions of the Construction Contract.  
 Copyright© 2018 National Society of Professional Engineers, American Council of Engineering Companies,  
 and American Society of Civil Engineers. All rights reserved.  
 Page 3 of 19

SC-5.06 Add the following new paragraphs immediately after Paragraph 5.06.A.3:

“4. The following table lists the reports known to Owner relating to Hazardous Environmental Conditions at or adjacent to the Site, and the Technical Data (if any) upon which Contractor may rely: **[If there are no such reports, so indicate in the table]**”

Report Title	Date of Report	Technical Data
		[Identify Technical Data]

5. The following table lists the drawings known to Owner relating to Hazardous Environmental Conditions at or adjacent to the Site, and Technical Data (if any) contained in such Drawings upon which Contractor may rely: **[If there are no such drawings, so indicate in the table]**”

Drawings Title	Date of Drawings	Technical Data
		[Identify Technical Data]

#### ARTICLE 6—BONDS AND INSURANCE

##### 6.01 Performance, Payment, and Other Bonds

SC-6.01 Add the following paragraphs immediately after Paragraph 6.01.A:

- “1. Performance and Payment Bonds shall comply with the requirements of Section 38-21-106, C.R.S. These bonds shall remain in effect for two years after substantial completion.
2. *Required Performance Bond Form:* The performance bond that Contractor furnishes will be in the form of EJCDC® C-610, Performance Bond (2010, 2013, or 2018 edition).
3. *Required Payment Bond Form:* The payment bond that Contractor furnishes will be in the form of EJCDC® C-615, Payment Bond (2010, 2013, or 2018 edition).”

SC-6.01 Add the following paragraphs immediately after Paragraph 6.01.B:

- “1. The correction period specified as one year after the date of Substantial Completion in Paragraph 15.08.A of the General Conditions is hereby revised to be two years after Substantial Completion. The performance and payment bond shall stay in full effect and warranty the repair of any defects for a period of two years. During the warranty period, the Contractor shall guarantee the work to be free from all defects and replace all defective work at no cost to the Town.”

SC-6.01 Add the following sentence at the end of Paragraph 6.01C:

“All bonds are subject to the approval of Owner’s counsel.”

##### 6.03 Contractor’s Insurance

SC-6.03 Supplement Paragraph 6.03 with the following provisions after Paragraph 6.03.C:

“E. *Workers’ Compensation and Employer’s Liability*: Contractor shall purchase and maintain workers’ compensation and employer’s liability insurance, including, as applicable, United States Longshoreman and Harbor Workers’ Compensation Act, Jones Act, stop-gap employer’s liability coverage for monopolistic states, and foreign voluntary workers’ compensation (from available sources, notwithstanding the jurisdictional requirement of Paragraph 6.02.B of the General Conditions).

<b>Workers’ Compensation and Related Policies</b>	<b>Policy limits of not less than:</b>
<b>Workers’ Compensation</b>	
State	Statutory
Applicable Federal (e.g., Longshoreman’s)	Statutory
Foreign voluntary workers’ compensation (employer’s responsibility coverage), if applicable	Statutory
<b>Jones Act (if applicable)</b>	
Bodily injury by accident—each accident	N/A
Bodily injury by disease—aggregate	N/A
<b>Employer’s Liability</b>	
Each accident	\$500,000
Each employee	\$500,000
Policy limit	\$500,000
<b>Stop-gap Liability Coverage</b>	
For work performed in monopolistic states, stop-gap liability coverage must be endorsed to either the worker’s compensation or commercial general liability policy with a minimum limit of:	\$

F. *Commercial General Liability—Claims Covered*: Contractor shall purchase and maintain commercial general liability insurance, covering all operations by or on behalf of Contractor, on an occurrence basis, against claims for:

1. damages because of bodily injury, sickness or disease, or death of any person other than Contractor’s employees,
2. damages insured by reasonably available personal injury liability coverage, and
3. damages because of injury to or destruction of tangible property wherever located, including loss of use resulting therefrom.

G. *Commercial General Liability—Form and Content*: Contractor’s commercial liability policy must be written on a 1996 (or later) Insurance Services Organization, Inc. (ISO) commercial general liability form (occurrence form) and include the following coverages and endorsements:

1. Products and completed operations coverage.
  - a. Such insurance must be maintained for three years after final payment.

- b. Contractor shall furnish Owner and each other additional insured (as identified in the Supplementary Conditions or elsewhere in the Contract) evidence of continuation of such insurance at final payment and three years thereafter.
  - 2. Blanket contractual liability coverage, including but not limited to coverage of Contractor’s contractual indemnity obligations in Paragraph 7.18.
  - 3. Severability of interests and no insured-versus-insured or cross-liability exclusions.
  - 4. Underground, explosion, and collapse coverage.
  - 5. Personal injury coverage.
  - 6. Additional insured endorsements that include both ongoing operations and products and completed operations coverage through ISO Endorsements CG 20 10 10 01 and CG 20 37 10 01 (together). If Contractor demonstrates to Owner that the specified ISO endorsements are not commercially available, then Contractor may satisfy this requirement by providing equivalent endorsements.
  - 7. For design professional additional insureds, ISO Endorsement CG 20 32 07 04 “Additional Insured—Engineers, Architects or Surveyors Not Engaged by the Named Insured” or its equivalent.
- H. *Commercial General Liability—Excluded Content:* The commercial general liability insurance policy, including its coverages, endorsements, and incorporated provisions, must not include any of the following:
- 1. Any modification of the standard definition of “insured contract” (except to delete the railroad protective liability exclusion if Contractor is required to indemnify a railroad or others with respect to Work within 50 feet of railroad property).
  - 2. Any exclusion for water intrusion or water damage.
  - 3. Any provisions resulting in the erosion of insurance limits by defense costs other than those already incorporated in ISO form CG 00 01.
  - 4. Any exclusion of coverage relating to earth subsidence or movement.
  - 5. Any exclusion for the insured’s vicarious liability, strict liability, or statutory liability (other than worker’s compensation).
  - 6. Any limitation or exclusion based on the nature of Contractor’s work.
  - 7. Any professional liability exclusion broader in effect than the most recent edition of ISO form CG 22 79.
- I. *Commercial General Liability—Minimum Policy Limits*

<b>Commercial General Liability</b>	<b>Policy limits of not less than:</b>
General Aggregate	\$1,000,000
Products—Completed Operations Aggregate	\$1,000,000
Personal and Advertising Injury	\$1,000,000
Bodily Injury and Property Damage—Each Occurrence	\$1,000,000

- J. *Automobile Liability:* Contractor shall purchase and maintain automobile liability insurance for damages because of bodily injury or death of any person or property damage arising out of the ownership, maintenance, or use of any motor vehicle. The automobile liability policy must be written on an occurrence basis.

<b>Automobile Liability</b>	<b>Policy limits of not less than:</b>
<b>Bodily Injury</b>	
Each Person	\$ 500,000
Each Accident	\$500,000
<b>Property Damage</b>	
Each Accident	\$500,000
<b>[or]</b>	
<b>Combined Single Limit</b>	
Combined Single Limit (Bodily Injury and Property Damage)	

- K. *Contractor’s Professional Liability Insurance:* If Contractor will provide or furnish professional services under this *Contract*, through a delegation of professional design services or otherwise, then Contractor shall be responsible for purchasing and maintaining applicable professional liability insurance. This insurance must cover negligent acts, errors, or omissions in the performance of professional design or related services by the insured or others for whom the insured is legally liable. The insurance must be maintained throughout the duration of the Contract and for a minimum of two years after Substantial Completion. The retroactive date on the policy must pre-date the commencement of furnishing services on the Project.”

<b>Contractor’s Professional Liability</b>	<b>Policy limits of not less than:</b>
Each Claim	\$1,000,000
Annual Aggregate	\$1,000,000

6.04 *Builder’s Risk and Other Property Insurance*

SC-6.04 Supplement Paragraph 6.04 of the General Conditions with the following provisions:

- F. *Builder’s Risk Requirements:* The builder’s risk insurance must:
1. be written on a builder’s risk “all risk” policy form that at a minimum includes insurance for physical loss or damage to the Work, temporary buildings, falsework, and materials and equipment stored and in transit, and must not exclude the coverage of the following risks: fire; windstorm; hail; flood; earthquake, volcanic activity, and other earth movement; lightning; riot; civil commotion; terrorism; vehicle impact; aircraft; smoke; theft; vandalism and malicious mischief; mechanical breakdown, boiler explosion, and artificially generated electric current; collapse; explosion; debris removal; demolition occasioned by enforcement of Laws and Regulations; and water damage (other than that caused by flood).

- a. Such policy will include an exception that results in coverage for ensuing losses from physical damage or loss with respect to any defective workmanship, methods, design, or materials exclusions.
  - b. If insurance against mechanical breakdown, boiler explosion, and artificially generated electric current; earthquake, volcanic activity, and other earth movement; or flood, are not commercially available under builder's risk policies, by endorsement or otherwise, such insurance will be provided through other insurance policies acceptable to Owner and Contractor.
2. cover, as insured property, at least the following: (a) the Work and all materials, supplies, machinery, apparatus, equipment, fixtures, and other property of a similar nature that are to be incorporated into or used in the preparation, fabrication, construction, erection, or completion of the Work, including Owner-furnished or assigned property; (b) spare parts inventory required within the scope of the Contract; and (c) temporary works which are not intended to form part of the permanent constructed Work but which are intended to provide working access to the Site, or to the Work under construction, or which are intended to provide temporary support for the Work under construction, including scaffolding, form work, fences, shoring, falsework, and temporary structures.
  3. cover expenses incurred in the repair or replacement of any insured property (including but not limited to fees and charges of contractors, engineers, and architects).
  4. extend to cover damage or loss to insured property while in temporary storage at the Site or in a storage location outside the Site (but not including property stored at the premises of a manufacturer or Supplier).
  5. extend to cover damage or loss to insured property while in transit.
  6. allow for the waiver of the insurer's subrogation rights, as set forth in this Contract.
  7. allow for partial occupancy or use by Owner by endorsement, and without cancellation or lapse of coverage.
  8. include performance/hot testing and start-up, if applicable.
  9. be maintained in effect until the Work is complete, as set forth in Paragraph 15.06.D of the General Conditions, or until written confirmation of Owner's procurement of property insurance following Substantial Completion, whichever occurs first.
  10. include as named insureds the Owner, Contractor, Subcontractors (of every tier), and any other individuals or entities required by this Contract to be insured under such builder's risk policy. For purposes of Paragraphs 6.04, 6.05, and 6.06 of the General Conditions, and this and all other corresponding Supplementary Conditions, the parties required to be insured will be referred to collectively as "insureds."

## **ARTICLE 7—CONTRACTOR'S RESPONSIBILITIES**

### **7.03 Labor; Working Hours**

SC-7.03 Delete Paragraph 7.03.C in its entirety and insert the following in its place:

"1. Work at the Site shall be performed between the hours of seven o'clock (7:00) A.M. and seven o'clock (7:00) P.M. Monday through Friday (except holidays), unless the Contractor obtains written consent from the Engineer to do the Work earlier or later than the stated hours, or on a weekend or holiday. Owner's holidays are: New Year's Day, Memorial Day, Fourth of July, Labor Day, Thanksgiving, Christmas Eve, and Christmas Day."

7.09 *Permits*

SC-7.09 Add the following new paragraphs immediately after 7.09A:

- "B. Contractor shall obtain a Town of Breckenridge Business License and shall maintain license throughout the project. Contractor shall also ensure that all subcontractors obtain a Town of Breckenridge Business License. Contractor shall also complete the Town of Breckenridge's vendor form listing all subcontractors and vendors used on project.
- C. Contractor shall obtain a Town of Breckenridge Right-of-Way Permit and shall maintain license throughout the project. Contractor shall meet all conditions and requirements of Right-of-Way Permit."

7.10 *Taxes*

SC-7.10 Delete Paragraph 7.10.A in its entirety and insert the following in its place:

- "A. Owner is a tax exempt entity. No sales or use tax shall be required to be paid by Contractor on material used in the performance of the work."

7.18 *Indemnification*

SC-7.18 Delete Paragraph 7.18 in its entirety and insert the following in its place:

"7.18 *Indemnification*

- A. To the fullest extent permitted by law, and in accordance with Section 13-50.5-102, C.R.S., Contractor shall indemnify and hold Owner, its officers, employees, and insurers, harmless from and against all liability, claims, and demands brought or asserted against Owner by a third party (a party who is not a party to the Contract) on account of injury, loss, or damage, including, without limitation, claims arising from bodily injury, personal injury, sickness, disease, death, property loss or damage, or any other loss of any kind whatsoever, whether alleged, adjudicated, or otherwise, related to or in any manner connected with the Contract, to the extent that such injury, loss, or damage is caused by Contractor's negligence or other fault, or the negligence or other fault of Contractor's employees, agents, representatives, subcontractors, suppliers, or anyone else for whose acts Contractor is liable under applicable law. Contractor is not required to provide indemnification under this Section to the extent such liability, claim, or demand arises through the negligence or other fault of Owner, its officers, employees, or agents. As used in this Section, the term "fault" includes, but is not limited to, an intentional or willful wrongful act, or a breach of the Contract.
- B. This indemnity provision is to be interpreted to require Contractor to indemnify and hold Owner harmless only to the extent and for an amount represented by the degree or percentage of negligence or other fault attributable to Contractor, or Contractor's

employees, agents, representatives, subcontractors, suppliers, or others for whose acts Contractor is liable under applicable law.

- C. To the extent indemnification is required under this Section, Contractor shall reimburse Owner for all costs and expenses of litigation incurred by Owner related to the matter for which indemnification is required, including, but not limited to, court costs, expert witness fees, and reasonable attorney's fees.
- D. The extent of Contractor's obligation to indemnify and hold Owner harmless under this Section shall be determined only after Contractor's liability or fault has been determined by adjudication, alternative dispute resolution (if permitted by the Contract), or is otherwise resolved by mutual agreement between Contractor and Owner.
- E. This indemnity provision applies only with respect to claims brought or asserted against Owner by third parties, and not to claims only between Contractor and Owner.
- F. Owner's officers, employees, and insurers are third party beneficiaries of this Section in accordance with its terms. However, any amendment, modification, or termination executed by Owner and Contractor is binding upon Owner's officers, employees, and insurers.
- G. All indemnity obligations required by the Contract shall survive the completion or termination of the Contract, and shall be fully enforceable thereafter, subject to any applicable statute of limitation."

SC-7.20 Add the following paragraphs immediately after 7.19:

*"7.20 Meetings.* Contractor shall attend pre-construction meeting, pre-paving meetings, environmental pre-construction meetings, weekly progress meeting, and other meetings as determined by the Town. Contractor shall also attend Town inspections and site visits as needed throughout the project.

7.21 Mobilization. A site for a construction staging area and office is the Contractor's responsibility. All temporary utilities will be the responsibility of the Contractor. A chemical toilet of suitable type shall be provided and maintained by the Contractor at all times. All costs of mobilization and demobilization of equipment, materials, personnel, and other costs shall be included in the mobilization unit cost.

7.22 Removal. The contractor shall dispose of and remove all excess dirt, waste materials, and trash from the site. Removal of excess dirt shall be included in excavation item. Removal of waste and trash shall be included in the mobilization unit cost."

## ARTICLE 8—OTHER WORK AT THE SITE

No Supplementary Conditions in this Article.

## ARTICLE 9—OWNER'S RESPONSIBILITIES

No Supplementary Conditions in this Article.

## ARTICLE 10—ENGINEER'S STATUS DURING CONSTRUCTION

### 10.03 *Visits to Site*

SC-10.02 Add the following language at the end of paragraph 10.02A:

"The Engineer may provide more continuous observation, but is not required to do so."

### 10.03 *Resident Project Representative*

SC-10.03 Add the following new paragraphs immediately after Paragraph 10.03.B:

"C. The Resident Project Representative (RPR) will be Engineer's representative at the Site. RPR's dealings in matters pertaining to the Work in general will be with Engineer and Contractor. RPR's dealings with Subcontractors will only be through or with the full knowledge or approval of Contractor. The RPR will:

1. *Conferences and Meetings:* Attend meetings with Contractor, such as preconstruction conferences, progress meetings, job conferences, and other Project-related meetings (but not including Contractor's safety meetings), and as appropriate prepare and circulate copies of minutes thereof.
2. *Safety Compliance:* Comply with Site safety programs, as they apply to RPR, and if required to do so by such safety programs, receive safety training specifically related to RPR's own personal safety while at the Site.
3. *Liaison*
  - a. Serve as Engineer's liaison with Contractor. Working principally through Contractor's authorized representative or designee, assist in providing information regarding the provisions and intent of the Contract Documents.
  - b. Assist Engineer in serving as Owner's liaison with Contractor when Contractor's operations affect Owner's on-Site operations.
  - c. Assist in obtaining from Owner additional details or information, when required for Contractor's proper execution of the Work.
4. *Review of Work; Defective Work*
  - a. Conduct on-Site observations of the Work to assist Engineer in determining, to the extent set forth in Paragraph 10.02, if the Work is in general proceeding in accordance with the Contract Documents.
  - b. Observe whether any Work in place appears to be defective.

- c. Observe whether any Work in place should be uncovered for observation, or requires special testing, inspection or approval.
- 5. *Inspections and Tests*
  - a. Observe Contractor-arranged inspections required by Laws and Regulations, including but not limited to those performed by public or other agencies having jurisdiction over the Work.
  - b. Accompany visiting inspectors representing public or other agencies having jurisdiction over the Work.
- 6. *Payment Requests: Review Applications for Payment with Contractor.*
- 7. *Completion*
  - a. Participate in Engineer's visits regarding Substantial Completion.
  - b. Assist in the preparation of a punch list of items to be completed or corrected.
  - c. Participate in Engineer's visit to the Site in the company of Owner and Contractor regarding completion of the Work, and prepare a final punch list of items to be completed or corrected by Contractor.
  - d. Observe whether items on the final punch list have been completed or corrected.
- D. The RPR will not:
  - 1. Authorize any deviation from the Contract Documents or substitution of materials or equipment (including "or-equal" items).
  - 2. Exceed limitations of Engineer's authority as set forth in the Contract Documents.
  - 3. Undertake any of the responsibilities of Contractor, Subcontractors, or Suppliers.
  - 4. Advise on, issue directions relative to, or assume control over any aspect of the means, methods, techniques, sequences or procedures of construction.
  - 5. Advise on, issue directions regarding, or assume control over security or safety practices, precautions, and programs in connection with the activities or operations of Owner or Contractor.
  - 6. Participate in specialized field or laboratory tests or inspections conducted off-site by others except as specifically authorized by Engineer.
  - 7. Authorize Owner to occupy the Project in whole or in part."

**ARTICLE 11—CHANGES TO THE CONTRACT**

Add the following paragraphs after Paragraph 11.01:

"D. Pursuant to Section 24-91-103.6(2), C.R.S., Owner hereby states that:

- 1. The money which has been appropriated by the Town Council of the Town of Breckenridge for the work required under this Contract is equal to or in excess of the contract amount;

2. No change order, as defined in Section 24-101-301(2), C.R.S., or other form of order or directive by the Owner requiring additional compensable work to be performed by Contractor, which work causes the aggregate amount payable under this Contract to exceed the amount appropriated for this original Contract, may be issued unless Contractor is given written assurance by the Owner that lawful appropriations to cover the costs of the additional work have been made and the appropriations are available prior to performance of the additional work or unless such work is covered by a remedy-granting provision in this Contract;
3. If the Owner directs the Contractor in writing to perform additional work under this Contract the Owner will reimburse the Contractor for its costs incurred in the performance of such additional work on a periodic basis until a change order for such additional work is finalized. For the purposes of this Section, "periodic basis" means monthly, unless payments to the Contractor are required to be made on some other basis under this Contract, in which event payments due to the Contractor under this Section shall be made on the same basis as other payments are required to be made to Contractor under this Contract. The periodic reimbursement due to Contractor under this Section shall not be made until the Contractor has submitted to the Owner an estimate of the anticipated cost of performing such additional work (including anticipated profit and overhead on the additional work if payment for such additional work will not be made on a fixed price basis), and such estimate has been approved by the Owner; and
4. If the work or services to be provided by Contractor are to be phased over a period of years, the provisions of this Subsection 1 of this Section apply only to the initial annual appropriation made by the Town Council of the Town of Breckenridge, and Contractor shall be notified by Owner of each subsequent annual appropriation as they occur."

Add the following paragraphs after Paragraph 11.02 B:

"C. For any change order work to be paid by Lump Sum or Unit Price, Owner may request Contractor to submit a written change order proposal form stating quantities and costs of materials, labor, equipment, overhead, profit and all other costs. Rates shall be justified using the EquipmentWatch Rental Rate Blue Book or other sources acceptable to the Town Engineer and Contractor. Town Engineer shall review all submitted costs and approve if costs submitted are reasonable and consistent with contract unit costs, Rental Blue Book Rates, and other sources of construction industry costs.

D. The contractor shall perform unforeseen work, for which there is no price included in the contract, whenever the extra work is necessary or desirable for contract completion. This work shall be performed in accordance with the Contract and as directed, and will be paid for as provided under Article 11."

## **ARTICLE 12—CLAIMS**

No Supplementary Conditions in this Article.

**ARTICLE 13—COST OF WORK; ALLOWANCES, UNIT PRICE WORK**

13.01 *Cost of the Work*

SC-13.01 Supplement Paragraph 13.01.B.5.c.(2) by adding the following sentence:

“The equipment rental rate book that governs the included costs for the rental of machinery and equipment owned by Contractor (or a related entity) under the Cost of the Work provisions of this Contract is the most current edition of the Rental Rate Blue Book.”

SC-13.01 Supplement Paragraph 13.01.C.2 by adding the following definition of small tools and hand tools:

“a. For purposes of this paragraph, “small tools and hand tools” means any tool or equipment whose current price if it were purchased new at retail would be less than \$500. “

13.03 *Unit Price Work*

SC-13.03 Delete Paragraph 13.03.E in its entirety and insert the following in its place:

“E. *Adjustments in Unit Price*

1. Contractor or Owner shall be entitled to an adjustment in the unit price with respect to an item of Unit Price Work if:
  - a. the extended price of a particular item of Unit Price Work amounts to ten percent or more of the Contract Price (based on estimated quantities at the time of Contract formation) and the variation in the quantity of that particular item of Unit Price Work actually furnished or performed by Contractor differs by more than twenty-five percent from the estimated quantity of such item indicated in the Agreement; and
  - b. Contractor’s unit costs to perform the item of Unit Price Work have changed materially and significantly as a result of the quantity change.
2. The adjustment in unit price will account for and be coordinated with any related changes in quantities of other items of Work, and in Contractor’s costs to perform such other Work, such that the resulting overall change in Contract Price is equitable to Owner and Contractor.
3. Adjusted unit prices will apply to all units of that item.”

SC-13.03 Add the following paragraph immediately after Paragraph 13.03.E:

“F. *Measurement and Payment*

1. Unit bid prices, as quoted in the bid schedule, shall constitute full compensation for all materials, labor, equipment, rentals, permits, overhead, profit, incidentals, risk, loss, damage, and all other items of work and expense required for the complete construction of each pay item per the plans specifications. Any items or like item not specifically mentioned as a bid item is considered incidental to the project and all costs associated with these items must be included in the listed bid items. Work or material

that are essential to the work, but for which there no pay items, will not be measured and paid for separately, but shall be included in other items of work.

2. Unless otherwise specified in the bid and contract documents, all bid items shall be paid by Engineer and Contractor measuring the completed work and paying the quantity measured.
3. Only work shown in the plans and specifications, or approved through a change order, will be paid. Additional work completed by the contractor, but not approved by Engineer, shall not be paid. Work outside the limits shown in the plans and specifications shall not be paid.
4. "Removal" items shall be measured prior to beginning "removal" work.
5. Contractor shall measure all items daily which cannot be measured after the completion of the work. Contractor shall submit an itemized list of work with backup data no less than weekly for the Engineer's Review.
6. All pay applications shall include backup data showing Contractor's measurements for verification by Engineer.
7. Bid items paid by area quantity (SF, SY, ACRE) shall be measured by square dimensions using mean length and mean width.
8. Bid items paid by volume quantity (CF, CY) shall be measured using the mean length and mean width to calculate area. The volume will then be calculated by multiplying the area measured by the thickness shown in the plans and specifications. Any additional depth/thickness installed, but not shown in the plans, will not be paid.
9. Bid items paid by Ton shall be paid by adding weight tickets obtained from the Contractor which measured material weights using certified scales at the source of the material.
10. Bid items paid by time (Hour, Day) shall be measured daily by Contractor and an itemized list of work shall be submitted to Engineer no less than weekly for Engineer's review.
11. Bid items paid by lump sum or each shall include all items specified in the bid item description, as well as any expenses not listed but necessary for the completion of the work. Bid items paid by each shall be measured by counting the final number of items completed.
12. Bid items paid by linear dimension shall be paid by measuring the linear dimension at the item centerline.

**ARTICLE 14—TESTS AND INSPECTIONS; CORRECTION, REMOVAL, OR ACCEPTANCE OF DEFECTIVE WORK**

No Supplementary Conditions in this Article.

**Commented [CM1]:** Add testing frequencies from MGPEC

**Commented [AG2R1]:** Do we want this in two places, this and the specs?

**ARTICLE 15—PAYMENTS TO CONTRACTOR, SET OFFS; COMPLETIONS; CORRECTION PERIOD**

15.01 *Progress Payments*

SC-15.01 Add the following language before Paragraph 15.01A:

“15.01 *Progress Payments* Progress payments shall be made in accordance with the provisions and requirements of Article 91 of Title 24, C.R.S. To the extent there is any conflict between Article 91 of Title 24, C.R.S. and the remainder of this Paragraph 15.01, Article 91 of Title 24, C.R.S. shall control.”

15.06 *Final Payment*

SC-15.06 Add the following language before Paragraph 15.01A:

“15.06 *Final Payment* Final payment shall be subject to the provisions and requirements of Section 38-26-107, C.R.S. To the extent there is any conflict between Section 38-26-107, C.R.S. and the remainder of this Paragraph 15.06, Section 38-26-107, C.R.S. shall control.”

15.08 *Correction Period*

SC-15.08 Add the following new Paragraph 15.08.G:

“G. The correction period specified as one year after the date of Substantial Completion in Paragraph 15.08.A of the General Conditions is hereby revised to be the number of years set forth in SC-6.01.B.1; or if no such revision has been made in SC-6.01.B, then the correction period is hereby specified to be two years after Substantial Completion.”

15.08 *Correction Period*

SC-15.08 Delete Paragraph 15.08.E in its entirety and replace with the following:

“Where defective Work (and damage to other Work resulting therefrom) has been corrected or removed and replaced under this paragraph, the correction period hereunder with respect to such Work will be extended for an additional period of two years after such correction or removal and replacement has been satisfactorily completed.”

**ARTICLE 16—SUSPENSION OF WORK AND TERMINATION**

No Supplementary Conditions in this Article.

**ARTICLE 17—FINAL RESOLUTIONS OF DISPUTES**

No Supplementary Conditions in this Article.

**ARTICLE 18—MISCELLANEOUS**

18.01 *Giving Notice*

SC-18.01 Delete Paragraph 18.01 in its entirety and insert the following in its place:

“18.01 *Notices*

A. All notices required or permitted under this Contract shall be given by registered or certified mail, return receipt requested, postage prepaid, or by hand or commercial carrier delivery, or by telecopies directed as follows:

If intended for Owner, to:

Town of Breckenridge  
P.O. Box 168  
150 Ski Hill Road  
Breckenridge, Colorado 80424  
Attn: Shannon Haynes, Town Manager  
Telecopier number: (970)547-3104  
Telephone number: (970)453-2251

with a copy in each case (which shall not constitute notice) to:

Kirsten Crawford  
150 Ski Hill Road  
P.O. Box 168  
Breckenridge, CO 80424  
Telecopier number: (970)547-3104  
Telephone number: (970)547-3117

If intended for Contractor, to:

[INSERT]

Telephone number:   
Telecopier number: 

Any notice delivered by mail shall be effective on the third business day after the same is deposited in any post office or postal box regularly maintained by the United States postal service. Any notice delivered by telecopier shall be effective upon receipt if concurrently with sending by telecopier receipt is confirmed orally by telephone and a copy of the notice is sent by certified mail, return receipt requested, on the same day to that intended recipient. Any notice delivered by hand or commercial carrier shall be effective upon actual receipt. Either party, by notice given as above, may change the address to which future notices may be sent. E-mail is not a valid means of delivering notice under this Contract."

18.07 *Controlling Law*

SC-18.07 Delete Paragraph 18.07 in its entirety and insert the following in its place:

"18.07 *Controlling Law*

A. This Contract shall be interpreted in all respects in accordance with the laws of the State of Colorado, without regard to principles of conflicts of laws."

18.11 *Annual Appropriation*

SC-18.11 Add the following paragraphs after Paragraph 18.10:

*“18.11 Annual Appropriation*

- A. Notwithstanding anything herein contained to the contrary, the Owner’s obligations under this Contract are expressly subject to an annual appropriation being made by the Town Council of the Town of Breckenridge, Colorado in an amount sufficient to allow Owner to perform its obligations hereunder. If sufficient funds are not appropriated for the payment of sums due to Architect under this Contract, this Contract may be terminated by either party without penalty; provided, however, that such termination shall be treated as being for Owner’s convenience as provided in Paragraph 16.03. The Owner’s obligations under this Contract are not a general obligation indebtedness or multiple year direct or indirect debt or other financial obligation whatsoever within the meaning of the Constitution or laws of the State of Colorado.”

*18.12 No Adverse Construction*

- A. Both parties acknowledge having had the opportunity to participate in the drafting of this Contract. This Contract shall not be construed against either party based upon authorship.

*18.13 Attorneys Fees*

- A. If any action is brought in a court of law by either party to this Contract concerning the enforcement, interpretation or construction of this Contract, the prevailing party, either at trial or upon appeal, shall be entitled to reasonable attorney’s fees, as well as costs, including expert witness’ fees, incurred in the prosecution or defense of such action.

*18.14 Venue; Waiver of Jury Trial*

- A. Venue for any legal action arising out of this Contract shall be proper only in Summit County, Colorado.

**B. BOTH PARTIES WAIVE THE RIGHT TO A JURY TRIAL IN ACTION TO ENFORCE, INTERPRET OR CONSTRUE THIS CONTRACT.**

*18.15 Contractor Will Not Discriminate*

- A. Contractor agrees that it: (i) will not discriminate against any employee or applicant for employment because of race, color, creed, sex, sexual orientation, religion, national origin, or disability; (ii) will insure that applicants are employed and that employees are treated during employment without regard to their race, color, creed, sex, sexual orientation, religion, national origin, or disability; and (iii) will in all solicitations or advertisements for employees to be engaged in the performance of services under this Contract state that all qualified applicants will receive consideration for employment without regard to their race, color, creed, sex, sexual orientation, religion, national origin, or disability. Contractor shall further comply with all applicable federal, state, and local laws, rules and regulations. Contractor shall indemnify the Town from any and all liability arising from Contractor’s failure to comply with all applicable laws or regulations.

*18.16 Judicial Determination of Authority to Indemnify*

A. Owner reserves the right to seek a judicial determination as to whether Owner has the authority under the Colorado Constitution to provide indemnification required under this Contract.

*18.17 Third Party Beneficiaries*

A. Except as provided in Section 7.18F, there are no third party beneficiaries of this Contract.

*18.18 Terminology*

A. Wherever applicable, the pronouns in this Contract designating the masculine or neuter shall equally apply to all genders. Furthermore, wherever applicable within this Contract, the singular shall include the plural, and the plural shall include the singular.

*18.19 Authority*

A. The individuals executing this Contract on behalf of each of the parties have all requisite powers and authority to cause the party for whom they have signed to enter into this Contract and to bind such party to fully perform its obligations as set forth in this Contract.

*18.20 Keep Jobs in Colorado Act of 2013*

A. This Contract **IS** subject to the provisions of the “Keep Jobs In Colorado Act of 2013,” (Section 8-17-101, et seq., C.R.S.). Contractor shall familiarize itself with and shall comply with the requirements of such law and the rules and regulations of the Colorado Department of Labor and Employment that apply to such law. Information concerning the law and the rules and regulations may be found at [www.colorado.gov/cdle/labor](http://www.colorado.gov/cdle/labor). Contractor understands that the law and the rules and regulations require that the Contractor employ not less than 80% Colorado labor to perform the work of the Contract unless a waiver of this requirement is granted by Owner pursuant to the law.”

