REGULAR CITY COUNCIL MEETING AGENDA
Tuesday, January 6, 2026 - 6:00 PM
City Council Chambers, Elks Civic Building - 107 S. Cascade Ave.

The Montrose City Council is pleased to have residents of the community take time to attend City Council meetings. We encourage your attendance and participation. Individuals wishing to be heard during public hearing proceedings are encouraged to be prepared and will generally be limited to three minutes to allow everyone the opportunity to be heard. Additional written comments are welcome and will be received at any time. The 11:00 p.m. rule will be enforced in accordance with City of Montrose Regulations (Sec. 7-15-2).

Public participation for this meeting will be in person in the City Council Chambers. The meeting can be viewed online via livestream and video recordings of the meetings can be viewed on our YouTube page.

Hearing assistance devices are available for public use. Please let us know if you need accommodation. The City also offers interpretation for Spanish speakers. Schedule time to book this resource, by emailing the City at least 3 days before the meeting.

1) City Council meeting called to order by Mayor Dave Frank

2) The Pledge of Allegiance

3) Roll call by the City Clerk

4) Changes to the agenda including additions and deletions

5) You Make a Difference Award Presentation

6) **CALL FOR PUBLIC COMMENT FOR NON-AGENDA ITEMS**

The “Call for Public Comment” agenda item is a time when concerned members of the community may publicly voice their concerns and discuss items of interest. Please note that no formal action will be taken on the matters raised during this time.

Comments made during this time should be addressed to the Council and pertain to matters of at least general importance to the City and its operations. Please be aware that neither City Council nor City staff are expected to respond or engage in discussion or debate.

Please refrain from any personal attacks and disagreements, personnel and employment matters, the use of profanity or ethnic, racial, or gender-oriented slurs as they may be considered “disorderly conduct” which violates state or local law.

7) **CONSENT AGENDA** (5 minutes)

A) City Council consideration of the minutes of the December 2, 2025, regular City Council meeting. *Staff: City Clerk Lisa DelPiccolo*

B) City Council consideration of the designation of the City of Montrose website as the official posting location for meeting notices with the exterior bulletin board at City Hall as a secondary location for use in exigent or emergency circumstances. *Staff: City Clerk Lisa DelPiccolo*

C) City Council consideration of the rescheduling of the April 7, 2026, regular City Council meeting to Monday, April 6, 2026, at 6:00 p.m. in the City Council Chambers. *Staff: City Clerk Lisa DelPiccolo*

Action: Consider making a motion to approve the consent agenda as presented.

8) **HISTORIC PRESERVATION COMMISSION APPOINTMENTS** (5 minutes)

City Council consideration of applicants Jeremy Omvig and Kelly Dyer for vacant positions on the City of Montrose Historic Preservation Commission for terms that expire on October 16, 2028.

Action: Consider making a motion to appoint one full voting member and one alternate member to the Montrose Historic Preservation Commission for terms that expire on October 16, 2028.

9) **ORDINANCE 2702 - FIRST READING** (15 minutes)

City Council consideration of Ordinance 2702 on first reading, an Ordinance of the City of Montrose, Colorado acting by and through its sewer utility enterprise, authorizing the issuance of utility revenue bonds to finance Wastewater Treatment Plant improvements; establishing covenants in connection with the financing and providing for the payment of the bonds from Sewer Fund revenues; and approving other matters in connection with the financing. *Staff: Utilities Director David Bries*

Action: Hold a hearing. Consider making a motion to pass Ordinance 2702 on first reading as presented.

10) **RIO GRANDE/EAST OAK GROVE ROUNDABOUT AND PHASE I RIO GRANDE EXTENSION EXPENSE AUTHORIZATION** (10 minutes)

City Council consideration of $3,927,970.59 in expenditures for construction of the Rio Grande/East Oak Grove Roundabout and Phase I Rio Grande Extension Construction Project. This includes the award of a construction contract to Earthworx Excavation in the amount of $3,696,370.59, a survey and engineering support contract to Del-Mont Consultants in the amount of $131,600, up to $45,000 in direct expenditures for site revegetation, and up to $55,000 in expenditures to Delta-Montrose Electric Association for the installation of street luminaires. *Staff: City Engineer Scott Murphy.*

Action: Accept public comment. Consider making a motion to approve $3,927,970.59 in expenditures for construction of the Rio Grande/East Oak Grove Roundabout and Phase I Rio Grande Extension Construction Project as presented.

11) **2026 ANNUAL ANNEXATION REPORT AND 3-MILE PLAN** (15 minutes)

City Council consideration of the 2026 Annual Annexation Report and 3-Mile Plan
Staff: Senior Planner William Reis

Action: Accept public comment. Consider making a motion to approve the 2026 Annual Annexation Report and 3-Mile Plan as presented.

12) **ORDINANCE 2700 - SECOND READING** (10 minutes)

City Council consideration of Ordinance 2700 on second reading, an Ordinance of the City of Montrose, Colorado, for the annexation of the Haynes Addition. *Staff: Senior Planner William Reis*

Action: Accept public comment. Consider making a motion to adopt Ordinance 2700 on second reading as presented.

13) **ORDINANCE 2701 - SECOND READING** (5 minutes)

City Council consideration of Ordinance 2701 on second reading, an Ordinance of the City of Montrose, Colorado, providing for the zoning of the Haynes Addition as an "R-6," Medium Density/Manufactured Housing District. *Staff: Senior Planner William Reis*

Action: Accept public comment. Consider making a motion to adopt Ordinance 2701 on second reading as presented.

14) **STAFF REPORTS**

A) Sales, Use, and Excise Tax Report (5 minutes)
Staff: Sales Tax Manager Leeanne Whittaker

15) **YOUTH CITY COUNCIL REPORT**

16) **CITY COUNCIL COMMENTS**

17) **MOTION TO ADJOURN**

MONTROSE CITY COUNCIL

December 2, 2025

A regular meeting of the Montrose City Council was held on Tuesday, December 18, 2025, at 6:00 p.m. in the City Council Chambers of the Elks Civic Building at 107 S. Cascade Avenue. Said meeting was posted in accordance with the Sunshine Law.

PRESENT

Dave Frank, Judy Ann Files, Doug Glaspell, J. David Reed, Ed Ulibarri, Jordyn Simo, Bill Bell, Ann Morgenthaler, Chris Dowsey, Greg Story, Lisa DelPiccolo, Briceida Ortega, Shani Wittenberg, Larry Witte, Jim Scheid, David Bries, Joe Wittenberg, Greg Stunder, William Reis, Scott Murphy, Matt Magliaro

GUESTS

No guests were present.

CALL TO ORDER

Mayor Dave Frank called the meeting to order at 6:00 p.m.

PLEDGE OF ALLEGIANCE

The Pledge of Allegiance was recited.

CHANGES TO THE AGENDA

No changes were made to the agenda.

CALL FOR PUBLIC COMMENT

No comments were received.

APPROVAL OF MINUTES

City Council considered the minutes of the November 17, 2025, special City Council meeting and the November 18, 2025, regular City Council meeting.

A motion was made by Doug Glaspell, seconded by Ed Ulibarri, to approve the minutes of the November 17, 2025, special City Council meeting and the November 18, 2025, regular City Council meeting as presented. All voted yes. Motion passed.

INTERGOVERNMENTAL AGREEMENT WITH MONTROSE RECREATION DISTRICT

City Council considered an Intergovernmental Agreement with Montrose Recreation District for Shared Services.

Deputy City Manager Ann Morgenthaler reviewed proposed changes to the annual agreement with the Montrose Recreation District. Ms. Morgenthaler stated that the revisions were reviewed at the November 17 work session, and the Montrose Recreation District Board of Directors approved the agreement on November 20. If approved, the new agreement will take effect on January 1, 2026.

Public comment was accepted. No comments were received.

A motion was made by J. David Reed, seconded by Doug Glaspell, to approve an Intergovernmental Agreement with Montrose Recreation District for Shared Services as presented. All voted yes. Motion passed.

ORDINANCE 2698 – SECOND READING

City Council considered Ordinance 2698 on second reading, an Ordinance of the City of Montrose, Colorado, amending Ordinance No. 2674 which appropriated funds for defraying the expenses and liabilities of the City of Montrose, Colorado, during the fiscal year beginning January 1, 2025; said expenditures of the City of Montrose over and above those anticipated at the time of adoption of the original budget for the fiscal year beginning January 1, 2025.

Finance Director Shani Wittenberg reported no changes to the Ordinance since it was passed on first reading on November 18. Ms. Wittenberg said this supplemental budget ordinance addresses unanticipated expenditures that were brought before City Council throughout the year, but were not included in the 2025 budget.

Public comment was accepted. No comments were received.

A motion was made by Doug Glaspell, seconded by Judy Ann Files, to adopt Ordinance 2698 on second reading as presented. All voted yes. Motion passed.

RESOLUTION 2025-23

City Council considered Resolution 2025-23, a Resolution of the City of Montrose, Colorado, declaring its official intent to reimburse itself with proceeds of a tax-exempt revenue bond financing for sewer capital expenditures undertaken or to be undertaken by the City; generally identifying the capital expenditures; and providing certain other matters in connection therewith.

Utilities Director David Bries shared a presentation that was given by DA Davidson at the December 1 work session pertaining to the issuance of sewer revenue bonds and the associated actions. Mr. Bries reviewed the timeline and actions needed to secure the $40 million in bonds to fund Wastewater Treatment Plant improvements, sanitary sewer interceptor improvements, and the sewer portion of the new Public Works facility. Mr. Bries stated that adoption of Resolution 2025-23 allows the City to fund initial stages of the project and receive reimbursement with bond revenues.

Mr. Bries said that the Wastewater Treatment Plant was constructed in 1984 and much of the equipment is over 40 years old. This project includes replacement of the influent screw pumps and surface aerators on the oxidation ditches, replacement of the UV light disinfection system, and replacement of the existing generator. A biological phosphorous removal process is also being added and is the largest portion of the overall project.

Public comment was accepted. No comments were received.

A motion was made by J. David Reed, seconded by Doug Glaspell, to adopt Resolution 2025-23 as presented. All voted yes. Motion passed.

ORDINANCE 2699 – SECOND READING

City Council considered Ordinance 2699 on second reading, an Ordinance of the City of Montrose, Colorado, authorizing the sale of real property owned by the City of Montrose located off Niagara Road to Volunteers of America.

City Manager Bill Bell reported that the land under the Magic Circle Players theater is owned by Volunteers of America which prevents Magic Circle from expanding as desired. The City owns property near the Niagara Community Gardens adjacent to VOA housing, and VOA would also like to plan for future expansion. Mr. Bell stated that Ordinance 2699 starts the due diligence process for the transfer of the Niagara Road property to VOA. An April closing is planned, and the City will receive $30,000.00 for the difference in appraised value between city property and the VOA parcel beneath Magic Circle Players. Magic Circle will initiate a campaign to raise funds to purchase the property from the City.

Public comment was accepted. No comments were received.

A motion was made by Judy Ann Files, seconded by Doug Glaspell, to adopt Ordinance 2699 on second reading as presented. All voted yes. Motion passed.

RESOLUTION 2025-21

City Council considered Resolution 2025-21, a Resolution authorizing the conduct of a mail ballot election for the City of Montrose General Municipal Election of April 7, 2026.

City Clerk Lisa DelPiccolo reported that the plan for the 2026 Municipal Election was reviewed at the November 17 work session. The plan includes no significant changes from the 2024 election. Ms. DelPiccolo said that adoption of Resolution 2025-21 begins the election process. Candidate information will be available on the City website beginning December 8, and candidate nomination petitions can be circulated beginning January 6.

Senior Deputy City Clerk Briceida Ortega reported that an informational video for potential candidates is available on the City website and posted on social media. Election details were published in the December edition of the City Beat newsletter as well.

Public comment was accepted. No comments were received.

A motion was made by Doug Glaspell, seconded by Judy Ann Files, to adopt Resolution 2025-21 as presented. All voted yes. Motion passed.

HAYNES ADDITION ANNEXATION

A hearing was held on the annexation of the Haynes Addition.

Senior Planner William Reis reviewed the annexation schedule and said that this is the official hearing for the proposed annexation. Mr. Reis stated that the Haynes Addition is a 0.59 acre parcel within the City's Urban Growth Boundary and within City of Montrose water and sewer service areas. Mr. Reis said that two properties are currently undergoing a boundary line adjustment with one property within the city limits and one outside. The land being transferred as part of the boundary line adjustment is being annexed to avoid jurisdictional issues. A small portion of right of way is also included in the annexation.

Mr. Reis reviewed the intent of the requested R-6 zoning designation and said the request matches the parcel already annexed. The Planning Commission unanimously recommended approval of the zoning designation on October 22.

Mr. Reis stated that the parcel is eligible for annexation and recommended adoption of Resolution 2025-22, Ordinance 2700, and Ordinance 2701. Mr. Reis said a signed annexation agreement is on file, and an annexation impact report is not required.

Resolution 2025-22: City Council considered Resolution 2025-22, findings of fact for the Haynes Addition annexation.

Public comment was accepted. No comments were received.

A motion was made by J. David Reed, seconded by Ed Ulibarri, to adopt Resolution 2025-22 as presented. All voted yes. Motion passed.

Ordinance 2700: City Council considered Ordinance 2700 on first reading, an Ordinance of the City of Montrose, Colorado, for the annexation of the Haynes Addition. A hearing was held.

Mayor Dave Frank opened the hearing.

Public comment was accepted. No comments were received.

Mayor Frank closed the hearing.

A motion was made by Judy Ann Files, seconded by J. David Reed, to pass Ordinance 2700 on first reading as presented. All voted yes. Motion passed.

ORDINANCE 2701 – FIRST READING

City Council considered Ordinance 2701 on first reading, an Ordinance of the City of Montrose, Colorado, providing for the zoning of the Haynes Addition as an "R-6," Medium Density/Manufactured Housing District. A hearing was held.

Mayor Dave Frank opened the hearing.

Public comment was accepted. No comments were received.

Mayor Frank closed the hearing.

A motion was made by Doug Glaspell, seconded by Judy Ann Files, to pass Ordinance 2701 on first reading as presented. All voted yes. Motion passed.

SEASONS SUBDIVISION FILING NO. 2 FINAL PLAT

City Council considered the Seasons Subdivision Filing No. 2 Final Plat to create 25 residential lots, as well as associated easements and rights-of-way.

Senior Planner William Reis reviewed the location of the 3.68 acre parcel at the end of Oregon Street with a current zoning designation of “R-3A,” Medium High Density District. Mr. Reis stated that the subject property is within the Seasons Subdivision 2nd Amended Preliminary Plat/PD Plan, which was recorded on January 13, 2009, and allows for zero foot side setbacks for individual conveyance of townhomes. The Seasons Subdivision Filing No. 2 Preliminary Plat was approved by City Council on November 5, 2024.

Mr. Reis reviewed final plat requirements and recommended conditional approval stating that the Final Plat is in compliance with subdivision regulations and the Comprehensive Plan, and the proposal meets the intent of the Seasons Subdivision 2nd Amended Preliminary Plat/PD Plan. Public comment was accepted. No comments were received.

A motion was made by J. David Reed, seconded by Doug Glaspell, to approve the Seasons Subdivision Filing No. 2 Final Plat expressly conditioned upon City staff ensuring that all policies, regulations, ordinances and Municipal Code provisions are met and that the applicant adequately addresses all of staff's concerns prior to the execution of the Final Plat. The City staff is not authorized by this approval to execute the Final Plat prior to all conditions being satisfied. All voted yes. Motion passed.

STAFF REPORTS

City Manager Bill Bell announced that Deputy City Manager Ann Morgenthaler was elected to serve on the Board of Directors for the Colorado City and County Managers Association.

YOUTH CITY COUNCIL REPORT

Youth City Council Mayor Jordyn Simo reported that five Youth City Councilors attended the National League of Cities conference in Salt Lake City. Ms. Simo said that the Youth City Council intends to bring two proclamations to upcoming City Council meetings in the near future addressing substance abuse and gun violence awareness.

CITY COUNCIL COMMENTS

Mayor Dave Frank commended all staff members who helped with the Annual Tree Lighting Ceremony on November 28.

City Councilor J. David Reed wished community members a safe and happy holiday season.

Mayor Frank announced that the December 19 work session and December 20 City Council meeting have been canceled.

ADJOURNMENT

The meeting adjourned at 6:35 p.m. with no further action taken.

ATTEST:

____
Dave Frank, Mayor

____
Lisa DelPiccolo, City Clerk

CITY OF MONTROSE
CITY CLERK'S OFFICE

DATE: November 24, 2025
TO: City Council
FROM: Lisa DelPiccolo, City Clerk
RE: Designation of Official Posting Location

The Colorado Sunshine Law requires designation of an official posting location at the first regular meeting of each calendar year. As of July 1, 2019, local governments are required to designate their websites as official posting locations with secondary locations designated for exigent or emergency circumstances.

Since 2020, the City of Montrose has designated the website as the official posting location with the bulletin board at City Hall as a secondary location. Our ongoing practice is to post agendas for all public meetings on the Public Portal of the website and to post a physical copy of the agenda on the bulletin board at City Hall.

Historic Preservation Commission Application

Date: 10/28/25

Commission Eligibility:

Please check any of the following:

- [x] I am a professional representing an area of expertise relevant to historic preservation
- [x] I have a demonstrated interest in Historic Preservation
- [ ] I own business real property or I am a designated representative of a real business property owner within the boundaries of the City of Montrose

  Business Address: ______________________

- [x] I make my primary residence within the City of Montrose

Personal Information:

Name: Jeremy Omvig

Primary Residence Address: [redacted]

City: Montrose State: CO Zip: 81401

Phone: [redacted]

E-mail Address: [redacted]

Primary Employer: Alpine Archaeological Consultants, Inc

Length of Employment: 8+

If less than 2 years, previous employer: USDA NRCS

Are you presently serving or have you served on a City of Montrose Board or Commission? Yes

If yes, please specify name of Board or Commission. Historic Preservation Commission

Date Range: 2021 - present

Educational background:

BA Anthropology and Indian Studies University of North Dakota 1997

MA Anthropology Northern Arizona University 2006

Relevant experience related to historic preservation:

I have worked as a professional archaeologist for over 30 years in both the public and private sectors. I have a strong background in archaeological compliance and consultation with project stakeholders and regulatory agencies. I have been a member of the Montrose Historic Perservation Commission since 2021.

Provide a brief explanation of your interest in historic preservation:

Application for Appointment to a Public Board, Commission, or Committee Ethics Statement:

The City of Montrose embraces the core values of honesty, trust, and integrity. In the accomplishment of the City's mission, earning and keeping the public trust is a primary goal. It is the policy of the City to prohibit employees from engaging in activities or practices which conflict with or compromise these values.

All employees, volunteers, members of boards and commissions, and other agents representing the City's interests, are expected to respect and uphold the high standard of dignity and integrity espoused in the City's core values.

I, ____________________, being an applicant for appointment to a City Board, Committee, or Commission, declare that said appointment does not, and will not, constitute or create a conflict of interest. I further declare that my appointment does not and will not compromise the core values stated herein, and I pledge to uphold and maintain those values in the performance of my official duties with the City.

I freely and voluntarily make this declaration, as a component of the City's application process for appointment.

Signature of applicant

Date

Please attach a current resume and return to City Clerk's Office, 400 E Main Street.

Historic Preservation Commission Application

Date: 11/25/2025

Commission Eligibility:

Please check any of the following:

- ☐ I am a professional representing an area of expertise relevant to historic preservation
- ☒ I have a demonstrated interest in Historic Preservation
- ☐ I own business real property or I am a designated representative of a real business property owner within the boundaries of the City of Montrose

  Business Address: ____________________
- ☒ I make my primary residence within the City of Montrose

Personal Information:

Name: Kelly Dyer

Primary Residence Address: [redacted]

City: Montrose State: CO Zip: 81401

Phone: [redacted]

E-mail Address: [redacted]

Primary Employer: DWC CPAs & Advisors

Length of Employment: less than 1 year

If less than 2 years, previous employer: Mueller & Hoffman

Are you presently serving or have you served on a City of Montrose Board or Commission?
no

If yes, please specify name of Board or Commission. ____________________

Date Range: ____________________

Educational background:

Please see resume for degrees

Coursework in Historic Preservation, Museum Studies, Library Sciences

I have also included 2 writing samples from my coursework at Wichita State

Relevant experience related to historic preservation:

Please see experience noted on resume.

Provide a brief explanation of your interest in historic preservation:

I have had an interest in Historic Preservation since I was in college for my undergrad degree. I have volunteered many times for a variety of "public history" organizations, more specifically with Colorado Preservation, Inc. I love old buildings, history and I am especially passionate about preserving our history for future generations, finding benefits of historic buildings for private and business use. I would love to be a part of the commission, learn more about Montrose's history and help facilitate the preservation of this community's history!

Application for Appointment to a Public Board, Commission, or Committee Ethics Statement:

The City of Montrose embraces the core values of honesty, trust, and integrity. In the accomplishment of the City's mission, earning and keeping the public trust is a primary goal. It is the policy of the City to prohibit employees from engaging in activities or practices which conflict with or compromise these values.

All employees, volunteers, members of boards and commissions, and other agents representing the City's interests, are expected to respect and uphold the high standard of dignity and integrity espoused in the City's core values.

I, Kelly Dyer, being an applicant for appointment to a City Board, Committee, or Commission, declare that said appointment does not, and will not, constitute or create a conflict of interest. I further declare that my appointment does not and will not compromise the core values stated herein, and I pledge to uphold and maintain those values in the performance of my official duties with the City.

I freely and voluntarily make this declaration, as a component of the City's application process for appointment.

Kelly Dyer

Signature of applicant

11/25/2025

Date

Please attach a current resume and return to City Clerk's Office, 400 E. Main Street.

Kelly Dyer

[redacted]

EXPERIENCE

Executive Administrator, Mueller & Hoffman, Denver, CO 2014 - Present

Joined brokerage team in 2014 at CBRE; transferred with team to form boutique brokerage firm Mueller & Hoffman

- Gather and maintain files related to property listings and sales while following company policies, as well as local and national laws.
- Conceptualize, gather data and develop the design of flyers, financial underwriting, property brochures, proposals, or offering memoranda for the purposes of listing and closing deals. Maintained M&H brand, product, office and client messaging and consistency by applying templates to marketing materials produced.
- Create and produce electronic and direct marketing campaigns or sale of properties, including customized property information materials, comparable market analyses, market and industry research and targeted mailing lists.
- Maintain and update marketing infrastructure, which includes a database system, intranet and external website, and data on all prospects.
- General administrative support for team members, including development and maintenance of human resources related documents and files, technology assistance and training, and managing compliance of all brokers' and firm's licenses, insurance in Colorado and nationwide.

Operations Manager, Marcus & Millichap, Denver, CO 2011 - 2014

Promotion from Brokerage Administrator/Agent Support Trainer position

- Primary role includes managing Administrative, Facility and Accounting responsibilities, as well as maintaining Inter-Departmental relationships. Ensure that all work submitted by Agents and Regional Managers is completed in a timely manner and final products produced by staff are of superior quality.
- Executive administrative assistance to Regional Manager, including collaborative support and independent management of hiring and training processes and motivating Agents and staff members.
- Proficient knowledge and daily use of up to 15 different software programs with the ability to train and provide technical support for Agents and staff.
- Create, maintain and retain all transaction and employee records within office pursuant to various states' Departments of Real Estate and company policies.
- Initiate and develop a variety of marketing materials, as well as coordinating the company's presence at networking events and trade shows locally and nationwide. Assist in developing and maintaining web-based marketing resources.

Project Archivist, Wichita State University Libraries Department of Special Collections and University Archives, Wichita, KS 2006 - 2010

Promotion from Student Assistant position

- Processed the Gordon Parks Papers, including formulation of archival series, physical arrangement and preservation, digital records creation, and design and installation of exhibits to showcase collection.
- Collaborated with lead Curator and Program Consultant in creation of community outreach programs, digital media presentations and display cases to highlight the library's collections. Consulted for expert opinion of records and artifacts best suited for exhibition in the Ulrich Museum of Art's exhibit "Crossroads: The Art of Gordon Parks".
- Assisted with patron reference requests and supervising patron research, following security and preservation best practices.
- Created digital images for ongoing digitization projects. Required familiarity and implementation of best practices standards for scanning of various image formats including negatives, slides and prints, and Adobe Photoshop.
- Assigned collection processing related tasks to student assistants and supervised their progress and completion.
- Created and compiled macrodata spreadsheets for internal reference to assist patron requests.
- This was a full-time, 40 hours per week position for 2009-2010; Prior to 2009 the Student Assistant position was a 25 hours per week position for 2006-2009.

Historic Preservation Intern, Department of Planning & Development, City of Hutchinson, Hutchinson, KS 2007 - 2008

- Researched and gathering data on city's history, designated historic properties and historic preservation guidelines.
- Application of research towards independently developing an informative Historic Preservation website for the residents of the City of Hutchinson.
- Created a user-friendly database and electronic map of historic properties within the city's historic districts.
- This position was 20 hours per week over a 5 month period.

Administrative Assistant, Benefits & Incentives Group, Inc. Denver, CO 2006 - 2010

- General administrative support duties, including client support, maintaining filing, and processing payables and receivables.
- Collaborated in creation of client communication materials and reference manuals.
- Preparation of reports for current and prospective clients.
- Assisted in transition of two major software conversions and staff training staff members on usage.

EDUCATION

Metropolitan State College of Denver, Denver, CO May, 2005
B.A. Behavioral Science, Minor in History
(Includes 27 hours of history related coursework and
3 hours of cultural resources related coursework)

Wichita State University, Wichita, KS August, 2010
M.A. Public History candidate
Passed comprehensive exams, graduation pending completion of thesis
(Includes 24 hours of history related coursework and
12 hours of cultural resources related coursework)

ADDITIONAL RELATED ACTIVITIES

Volunteer Processing Archivist, Colorado State Archives, Denver, CO

- Processed business records and government documents and creation of metadata spreadsheets and finding aids for internal use. Required an understanding of Colorado history and uses of government agencies and records.
- Total of 72 hours of volunteer work.

Exhibit Designer and Installer, Lowell D. Holmes Museum of Anthropology, Wichita, KS

- Independently designed and installed museum exhibit for the "Carving A Culture: The Asmat Way". Basic knowledge of PastPerfect software used in selecting artifacts eligible for display in exhibit, as well as adherence to standard museum practices in proper handling and displaying of artifacts for extended period of time.
- Volunteer hours included as part of coursework for Wichita State University.

Volunteer Museum Curatorial Assistant, Old Cowtown, Wichita, KS

- Reviewed of museum collections, which consisted of over 11,000 items, to update catalogue and compile evaluation and recommendations report to improve storage and conservation of collections, especially artifacts which required special attention. Assisted with final list of items for deaccession.
- Total of 24 hours of volunteer work

Documentaries Judge, Kansas History Day Competition, Wichita, KS (8 hours of volunteer work)

Historian Officer, Society of Public Historians, Wichita, KS (40 hours of volunteer work)

Volunteer Historic Preservation Laborer, Interlaken Resort Restoration Project, National Park Service Twin Lakes, Colorado (12 hours of volunteer work)

Unit Leader, Girl Scouts Sky High Ranch Overnight Summer Camp, Woodland Park, CO

REFERENCES

Michael Hoffman, Founding Partner, Mueller & Hoffman Manufactured Housing
Phone: 303-857-5566, email: michael@muellerhoffman.com

Mary Nelson, Program Consultant, Wichita State University
Phone: 316-978-3590, email: mary.nelson@wichita.edu

Laura Hartley, Events Manager, Kansas Sports Hall of Fame
Phone: 316-992-6266, lhartley@kshof.org

Council Transmittal Memo
Date: December 22, 2025

To: Mayor and City Council

From: David Bries, Utilities Director

CC: William Bell, City Manager
Shani Wittenberg, Finance Director
Hyrum Webb, WWTP Superintendent

Subject: Sewer Utility Bond issue for WWTP and other projects

Recommendation

Consideration of Ordinance No. 27-02 authorizing the issuance of $40 million of Sewer Utility Revenue Bonds to fund the wastewater treatment plant project, sanitary sewer interceptor improvements and the sewer portion of the Public Works facility.

Background

The proposed wastewater treatment project consist of replacement of the aging Ultraviolet disinfection system, influent screw pumps, oxidation ditch aerators and the backup generator as well as construction on an anaerobic basin to provide biological phosphorus removal as required to meet proposed permit limits within the next few years. The total project cost for the wastewater treatment project at 90% design is just over $34 million with approximately $3 million being funded with sewer fund reserves in 2025 and 2026.
Additionally, the existing sewer interceptor serving the eastern part of town has segments that are exceeding capacity and needs increased capacity to serve continued growth. The cost of the interceptor is estimated at $6.5 million.
The sewer fund's portion of the Public Works facility is also proposed to be included in the bond issue to spread these costs out and minimize the rate impact that cash funding would require.

The proposed bond issue amount for each of the projects are as follows:

WWTP Project	$31,070,201
East Montrose Interceptor (CIP3)	$ 6,500,000
PW Facility (Sewer portion)	$ 2,423,603
Total Funds Needed	**$39,993,804**

The proposed timeline for the bond issuance is as follows:

January 6, 2026	Consideration of Bond Ordinance (First Reading)
January 20, 2026	Consideration of Bond Ordinance (Second Reading)
February 24, 2026	Post Preliminary Official Statement
March 18, 2026	Closing

Staff has done a residential sewer rate comparison with other municipalities and sewer districts in the area as shown below:

Monthly Residential Rate Comparisons

	2025	**2026**	**2027 Anticipated 20% Increase**
Montrose	$27.15	$33.12	$39.75
Fruita	$53.60	$54.65	
Grand Junction	$27.58	$30.89 *	$34.60
Clifton	$34.30	$39.00	
Delta	$41.00	$43.83	
Gunnison	$55.98	$57.65	
Pagosa Area W&S District	$46.90	$50.47	

Financial Impact

A 22% rate increase is included in the 2026 Budget and a projected 20% is anticipated for 2027 to fund the debt service costs for these projects.

ORDINANCE NO. 2702

AN ORDINANCE OF THE CITY OF MONTROSE, COLORADO, ACTING BY AND THROUGH ITS SEWER UTILITY ENTERPRISE, AUTHORIZING THE ISSUANCE OF UTILITY REVENUE BONDS TO FINANCE WASTEWATER TREATMENT PLANT IMPROVEMENTS; ESTABLISHING COVENANTS IN CONNECTION WITH THE FINANCING AND PROVIDING FOR THE PAYMENT OF THE BONDS FROM SEWER FUND REVENUES; AND APPROVING OTHER MATTERS IN CONNECTION WITH THE FINANCING.

WHEREAS, the City of Montrose, Colorado is a municipal corporation duly organized and operating as a home rule municipality under Article XX of the Constitution of the State of Colorado (unless otherwise indicated, capitalized terms used in this preamble shall have the meanings set forth in Section 1 of this Ordinance); and

WHEREAS, pursuant to Article IV, Section 23 of the Charter, when owning any public utility, the City is to keep the books of account for such public utility distinct from other City accounts and such manner to show the true and complete financial result of such City ownership and operation; and

WHEREAS, the Council has (i) recognized the establishment of the City's Sewer Utility Enterprise, (ii) confirmed the operation of the Sewer Utility Enterprise as an "enterprise" within the meaning of Section 20 of Article X of the State Constitution, and (iii) designated itself as the governing body of the Sewer Utility Enterprise to exercise the City's legal authority relating to the Sewer Utility Enterprise; and

WHEREAS, the Sewer Fund, which accounts for the financial activity of the Sewer Utility Enterprise, is to receive less than ten percent of its annual revenue from Colorado state and local government grants combined in the current calendar year; and

WHEREAS, pursuant to Article IV, Section 23 of the Charter, the City may borrow money and issue bonds for the purpose of constructing, extending, or improving its sewer system, provided that the bonds shall be made payable solely out of the net revenues derived from the operation of such system; and

WHEREAS, the City currently has no bonds, notes, loans or other borrowings payable from the Sewer Fund; and

WHEREAS, to enable the City to manage, maintain and operate the City's sewer system, the Council has determined that the City’s interest and the public interest and necessity require improvements to the wastewater treatment plant including, among other things, the replacement of the aging ultraviolet disinfection system, influent screw pumps, oxidation ditch aerators and the backup generator, as well as construction of an anaerobic basin to provide biological phosphorus removal as required to meet proposed permit limits; and

WHEREAS, D.A. Davidson & Co., of Denver, Colorado, has presented a proposal to the City to issue revenue bonds for the purpose of financing the costs of the Wastewater Treatment

Plant Project, and the Council has determined that the negotiated sale of the Bonds to said company is to the best advantage of the City; and

WHEREAS, the Bonds will not be payable from any tax, will not constitute a debt or an indebtedness of the City within the meaning of any constitutional or home rule limitation, and will not be considered or held to be general obligations of the City; and

WHEREAS, the City has received and there are available to the members of the Council, forms of documents relating to the financing of the Wastewater Treatment Plant Project, including the Preliminary Official Statement, the Bond Purchase Agreement and the Paying Agent and Registrar Agreement; and

WHEREAS, none of the members of the Council have any potential conflicting interests in connection with the authorization, issuance, or sale of the Bonds, or the use of the proceeds thereof; and

WHEREAS, Council desires to authorize the issuance and sale of the Bonds and, as provided in the Supplemental Public Securities Act, delegate authority to the Sale Delegate to make certain determinations regarding the Bonds to be set forth in the Sale Certificate in accordance with the provisions of this Ordinance; now therefore,

BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF MONTROSE, COLORADO, as follows:

Section 1. Definitions. The following terms shall have the following meanings as used in this Ordinance:

"*Bank*" means UMB Bank, n.a., a national banking association duly organized and existing under the laws of the United States of America which has full and complete trust powers and is a qualified institution under Article 10.5 of Title 11, C.R.S., known as the Public Deposit Protection Act.

"*Bonds*" means the Sewer Utility Revenue Bonds, Series 2026, dated as of the Dated Date.

"*Bond Account*" means the account established by the provisions hereof to account for the moneys to be applied to the payment of the debt service on the Bonds. The Bond Account shall be a subsidiary account or subaccount of the Sewer Fund or other appropriate fund of the City and separately accounted for by the City in accordance with the provisions hereof.

"*Bond Counsel*" means (a) as of the date of issuance of the Bonds, Kutak Rock LLP, of Denver, Colorado; and (b) as of any other date, Kutak Rock LLP or such other attorneys selected by the City with nationally recognized expertise in the issuance of municipal bonds.

"*Bond Insurance Policy*" means, if the Bonds are issued with bond insurance, the municipal bond insurance policy issued by the Bond Insurer insuring the payment when due of the principal of and interest on the Bonds as provided therein. If the Bonds are not issued with bond insurance, this definition shall not be applicable.

"*Bond Insurer*" means, if the Bonds are issued with bond insurance, the bond insurer selected by the Sale Delegate pursuant to the Section hereof entitled "Bond Insurance," or any successor thereto.

"*Bond Purchase Agreement*" means the Bond Purchase Agreement, pursuant to which the City is to agree to sell and the Underwriter is to agree to purchase the Bonds at the prices and on the terms set forth therein.

"*Business Day*" means any day other than (a) a Saturday or Sunday, or (b) a day on which banking institutions in the State are authorized or obligated by law or executive order to be closed for business.

"*Capital Improvements*" means the acquisition of land, easements, facilities, and equipment (other than ordinary repairs and replacements), and the construction or reconstruction of improvements, betterments, and extensions, for use by or in connection with the System which, under Generally Accepted Accounting Principles for governmental units as prescribed by the Governmental Accounting Standards Board, are properly chargeable as capital items.

"*Charter*" means the City of Montrose Home Rule Charter.

"*City*" means the City of Montrose, Colorado, acting by and through its Sewer Utility Enterprise.

"*Code*" means the Internal Revenue Code of 1986, as amended. Each reference to a section of the Code herein shall be deemed to include the United States Treasury Regulations proposed or in effect thereunder and applicable to the Bonds or the use of proceeds thereof, unless the context clearly requires otherwise.

"*Combined Maximum Annual Principal and Interest Requirements*" means with regard to any two or more particular issues of bonds or other obligations, the maximum annual payments of principal of and interest on all of said issues, excluding redemption premiums, to become due during any Fiscal Year while such issues are outstanding; provided that such computation shall assume the redemption and payment of bonds or other obligations subject to mandatory redemption, but shall be made without regard to any right of optional redemption which has not been exercised.

"*Commitment*" means that certain offer, if any, to issue the Bond Insurance Policy and the Reserve Surety Bond by the Bond Insurer.

"*Continuing Disclosure Undertaking*" means an undertaking of the City to facilitate compliance with Securities and Exchange Commission Rule 15c2-12 (17 C.F.R. § 240.15c2-12) in substantially the form appended to the Official Statement.

"*Council*" means the City Council of the City acting as the governing body of the Sewer Utility Enterprise.

"*C.R.S.*" means the Colorado Revised Statutes, as amended and supplemented as of the date hereof.

"*Dated Date*" means the dated date for the Bonds set forth in the Sale Certificate.

"*DTC*" means The Depository Trust Company, New York, New York, and its successors in interest and assigns.

"*DTC Blanket Letter of Representations*" means the letter of representations from the City to DTC to induce DTC to act as securities depository for the Bonds.

"*Enabling Laws*" means the Charter, the Water Activity Law, the Supplemental Public Securities Act and all other laws of the State of Colorado enabling the actions of the City as contemplated by the provisions of this Ordinance.

"*Event of Default*" means any of the events specified the Section hereof titled "Events of Default."

"*Federal Securities*" means bills, certificates of indebtedness, notes, bonds or similar securities which are direct noncallable obligations of the United States of America or which are fully and unconditionally guaranteed as to the timely payment of principal and interest by the United States of America.

"*Fiscal Year*" means the 12 months commencing January 1 of any year and ending December 31 of said year.

"*Gross Revenue*" means all fees, including but not limited to user fees and plant investment fees, charges and revenues directly or indirectly derived by the City for the services furnished by, or use of, the System, or any part thereof, including all income attributable to any future dispositions of property or rights or related contracts, settlements, or judgments held or obtained in connection with the System or its operations, and including investment income accruing from moneys held to the credit of the Sewer Fund; provided however, that there shall be excluded from Gross Revenue (a) moneys borrowed and used for providing Capital Improvements; (b) any money and securities, and investment income therefrom, in any refunding fund, escrow account, or similar account pledged to the payment of any bonds or other obligations for the purpose of defeasing the same; and (c) any moneys received as grants or appropriations from the United States, the State of Colorado, or other sources, the use of which is limited or restricted by the grantor or donor to the provision of Capital Improvements or for other purposes resulting in the general unavailability thereof, except to the extent any such moneys shall be received as payments for the use of the System, services rendered thereby, the availability of any such service, or the disposal of any commodities therefrom.

"*Interest Payment Date*" means each June 1 and December 1, commencing June 1, 2026, or such other dates as established in the Sale Certificate for payment of interest on the Bonds.

"*Net Revenues*" means Gross Revenue after deducting Operation and Maintenance Expenses.

"*Official Statement*" means the final Official Statement relating to the Bonds.

"*Operation and Maintenance Expenses*" means all reasonable and necessary current expenses of the City, paid or accrued, for operating, maintaining, and repairing the System, including without limitation legal and overhead expenses of the City directly related to the administration of the System; provided however, that there shall be excluded from Operation and Maintenance Expenses any allowance or transfers for depreciation, payments in lieu of taxes or franchise fees, legal liabilities not based on contract, expenses incurred in connection with Capital Improvements, payments due in connection with any bonds or other obligations issued to provide Capital Improvements, and charges for the accumulation of reserves. For purposes of the above definition expenses shall, to the extent possible, be determined in accordance with Generally Accepted Accounting Principles for governmental units as prescribed by the Governmental Accounting Standards Board.

"*Ordinance*" means this ordinance authorizing the issuance of the Bonds, including any amendments or supplements hereto.

"*Owner*" or "*Owners*" means the Person or Persons in whose name or names a Bond is registered on the registration books maintained by the Paying Agent pursuant hereto.

"*Parity Lien Obligations*" means any bonds or other obligations permitted to be issued pursuant to the Section hereof titled "Parity Lien Obligations", with a lien that is equal and on a parity with the lien of the Bonds on the Net Revenues.

"*Paying Agent*" means the Bank and its successors in interest or assigns approved by the City, which shall act as paying agent, bond registrar, and authenticating agent for the Bonds.

"*Paying Agent and Registrar Agreement*" means an agreement between the City and the Paying Agent concerning the duties and obligations of the Paying Agent with respect to the Bonds.

"*Permitted Investments*" means any investment lawfully permitted by applicable State law, except to the extent that such investments may be further limited by the Bond Insurer.

"*Person(s)*" means a corporation, firm, other body corporate, partnership, association or individual and also includes an executor, administrator, trustee, receiver or other representative appointed according to law.

"*Preliminary Official Statement*" means the Preliminary Official Statement prepared in connection with the sale and issuance of the Bonds.

"*Principal Payment Date*" means December 1, or such other date or dates of each year as established in the Sale Certificate for payment of principal of the Bonds.

"*Project Account*" means the account established by the provisions hereof to account for the moneys to be applied to the payment of the costs relating to the Wastewater Treatment Plant Project. The Project Account shall be a subsidiary account or subaccount of the Sewer Fund or other appropriate fund of the City and separately accounted for by the City in accordance with the provisions hereof.

"*Pro Rata Portion*" means the dollar amount derived by dividing the amount of principal or interest to come due on the next Principal Payment Date or Interest Payment Date by the number of monthly credits required to be made prior to such payment date.

"*Record Date*" means with respect to each Interest Payment Date, (a) if the Interest Payment Date is the first day of the month, the fifteenth day of the month immediately preceding the month (whether or not such day is a Business Day) in which such Interest Payment Date occurs; or (b) if the Interest Payment Date is the fifteenth day of the month, the first day of the month (whether or not such day is a Business Day) in which such Interest Payment Date occurs.

"*Required Reserve*" means an amount equal to the lesser of: (a) the Combined Maximum Annual Principal and Interest Requirements of the Bonds or (b) the maximum amount which may be credited to the Reserve Account and allow such account to qualify as a "reasonably required reserve or replacement fund" under Section 148(d) of the Code. Provided however, the amount of the Required Reserve may be established at a lesser amount in the Sale Certificate.

"*Reserve Account*" means the account established by the provisions hereof to provide additional security for the timely payment of the debt service on the Bonds. The Reserve Account shall be a subsidiary account or subaccount of the Sewer Fund or other appropriate fund of the City and separately accounted for by the City in accordance with the provisions hereof.

"*Reserve Surety Bond*" means a surety bond issued by the Bond Insurer for the purpose of meeting all or any portion of the Required Reserve and guaranteeing payments from the Reserve Account.

"*Sale Certificate*" means the certificate executed by the Sale Delegate under the authority delegated pursuant to this Ordinance.

"*Sale Delegate*" means the City Manager or, in the event the City Manager is unavailable, the Mayor of the City.

"*Sewer Fund*" means the fund established in accordance with Article IV, Section 23 of the Charter for the purpose of accounting for the financial activity of the Sewer Utility Enterprise.

"*Sewer Utility Enterprise*" means the City's Sewer Utility Enterprise recognized by the City Council and which serves the purpose of managing, maintaining and operating the System.

"*Supplemental Public Securities Act*" means Part 2 of Article 57 of Title 11, C.R.S.

"*State*" means the State of Colorado.

"*System*" means all of the City's sewer utility system, now owned or hereafter acquired, whether situated within or without the City boundaries, including all present or future improvements, extensions, enlargements, betterments, replacements, or additions thereof or thereto.

"*Tax Letter of Instructions*" means the Tax Letter of Instructions, dated the date on which the Bonds are originally issued and delivered to the City by Bond Counsel, as such instructions may be superseded or amended in accordance with their terms.

"*Underwriter*" means D.A. Davidson & Co., of Denver, Colorado.

"*Water Activity Law*" means Title 37, Article 45.1, C.R.S. relating to the establishment of water activity enterprises within local governmental entities for activities necessary to, among other things, provide wastewater services.

"*Wastewater Treatment Plant Project*" means any Capital Improvements which may be funded under the Enabling Laws, including but not limited to, the capital improvements referenced in the preambles of this Ordinance and any other System improvements as determined by the Council, as well as the payment of the costs of issuance of the Bonds.

Section 2. Authorization and Purpose of the Bonds. Pursuant to and in accordance with the State Constitution and the Enabling Laws, there shall be issued by the City, acting by and through the Sewer Utility Enterprise, the "Sewer Utility Revenue Bonds, Series 2026" for the purpose of providing funds for the Wastewater Treatment Plant Project.

Section 3. Bond Details.

(a) ***Registered Form, Denominations, Original Dated Date and Numbering***. The Bonds shall be issued in fully registered form, shall be dated as of the Dated Date, and shall be registered in the names of the Persons identified in the registration books maintained by the Paying Agent pursuant hereto. The Bonds shall be issued in denominations of $5,000 in principal amount or any integral multiple thereof. The Bonds shall be consecutively numbered, beginning with the number one, preceded by the letter "R."

(b) ***Interest Rates, Maturity Dates and Principal Amounts***. The Bonds shall bear interest at the rates per annum (calculated based on a 360-day year of twelve 30-day months), and shall mature on the Principal Payment Date of the years and in the principal amounts, as set forth in the Sale Certificate.

(c) ***Accrual and Dates of Payment of Interest***. Interest on the Bonds shall accrue at the rates set forth in the Sale Certificate from the later of the Dated Date or the latest Interest Payment Date (or in the case of defaulted interest, the latest date) to which interest has been paid in full and shall be payable on each Interest Payment Date.

(d) ***Delegation for Sales Certificate***. The Council hereby delegates to the Sale Delegate, for a period of one year from the effective date of this Ordinance, (A) the matters set forth below, subject to the applicable parameters set forth in subsection (e) of this Section; and (B) any other matters that, in the judgment of the Sale Delegate, are necessary or convenient to be set forth in the Sale Certificate and are not inconsistent with the parameters set forth in this Section:

(i) the Dated Date of the Bonds;

(ii) the Principal Payment Date;

(iii) the Interest Payment Date;

(iv) the aggregate principal amount of the Bonds;

(v) the price at which the Bonds will be sold pursuant to the Bond Purchase Agreement;

(vi) the amount of principal of the Bonds maturing in any particular year and the respective interest rates borne by the Bonds;

(vii) the Bonds which may be redeemed at the option of the City, the dates upon which such optional redemption may occur, and the prices at which such Bonds may be optionally redeemed;

(viii) the principal amounts, if any, of Bonds subject to mandatory sinking fund redemption and the years in which such Bonds will be subject to such redemption;

(ix) the amount of the Required Reserve and the existence and amount of any capitalized interest; and

(x) whether the Bonds will be secured by an assurance of payment as provided in the Supplemental Public Securities Act.

(e) ***Sale Parameters***. The authority delegated to the Sale Delegate by this Section shall be subject to the following parameters:

(i) the aggregate principal amount of the Bonds shall not exceed $45,000,000;

(ii) the final maturity of the Bonds shall be no later than December 1, 2056; and

(iii) the net effective interest rate on the Bonds shall not exceed 5.50%.

(f) ***Manner and Form of Payment***. Principal of each Bond shall be payable to the Owner thereof upon presentation and surrender of such Bond at the principal office of the Paying Agent or at such other office of the Paying Agent designated by the Paying Agent for such purpose. Interest on each Bond shall be payable by check or draft of the Paying Agent mailed on each Interest Payment Date to the Owner thereof as of the close of business on the corresponding Record Date; provided that interest payable to any Owner may be paid by any other means agreed to by such Owner and the Paying Agent that does not require the City to make moneys available to the Paying Agent earlier than otherwise required hereunder or increase the costs borne by the City hereunder. All payments of the principal of and interest on the Bonds shall be made in lawful money of the United States of America.

(g) ***Book-Entry Registration***. Notwithstanding any other provision hereof, the Bonds shall be delivered only in book entry form registered in the name of Cede & Co., as nominee of DTC, acting as securities depository of the Bonds and principal of and interest on the Bonds shall be paid by wire transfer to DTC; provided, however, if at any time the Paying Agent determines, and notifies the City of its determination, that DTC is no longer able to act as, or is no longer satisfactorily performing its duties as, securities depository for the Bonds, the Paying Agent may, at its discretion, either (i) designate a substitute securities depository for DTC and reregister the Bonds as directed by such substitute securities depository; or (ii) terminate the book entry registration system and reregister the Bonds in the names of the beneficial owners thereof provided to it by DTC. Neither the City nor the Paying Agent shall have any liability to DTC, Cede & Co., any substitute securities depository, any Person in whose name the Bonds are reregistered at the direction of any substitute securities depository, any beneficial owner of the Bonds or any other Person for (A) any determination made by the Paying Agent pursuant to the proviso at the end of the immediately preceding sentence or (B) any action taken to implement such determination and the procedures related thereto that is taken pursuant to any direction of or in reliance on any information provided by DTC, Cede & Co., any substitute securities depository or any Person in whose name the Bonds are reregistered.

Section 4. Redemption of Bonds Prior to Maturity.

(a) ***Optional Redemption***. The Bonds shall be subject to redemption at the option of the City, in whole or in part, and if in part in such order of maturities as the City shall determine and by lot within a maturity on such dates as set forth in the Sale Certificate. As provided in the Section hereof entitled "Bond Details", the Sale Delegate is delegated authority to determine the dates on which the Bonds shall be subject to optional redemption and the redemption price or prices at which such redemption may be made.

(b) ***Mandatory Sinking Fund Redemption***. All or any principal amount of the Bonds may be subject to mandatory sinking fund redemption by lot on the Principal Payment Date of the years and in the principal amounts specified in the Sale Certificate, at a redemption price equal to the principal amount thereof (with no redemption premium), plus accrued interest to the redemption date. As provided in the Section hereof entitled "Bond Details", the Sale Delegate is delegated authority to determine the principal amounts and dates on which the Bonds shall be subject to mandatory sinking fund redemption.

(c) ***Redemption Procedures***. Notice of any redemption of Bonds shall be given by the Paying Agent in the name of the City by electronic means to DTC or by sending a copy of such notice by electronic means to DTC or its successors, or by first class, postage prepaid mail, not less than thirty days prior to the redemption date, to the Owner of each Bond being redeemed. Such notice shall specify the number or numbers of the Bonds so to be redeemed (if redemption shall be in part) and the redemption date. If any Bond shall have been duly called for redemption and if, on or before the redemption date, there shall have been deposited with the Paying Agent in accordance with this Ordinance funds sufficient to pay the redemption price of such Bond on the redemption date, then such Bond shall become due and payable at such redemption date, and from and after such date interest will cease to accrue thereon. Failure to deliver any redemption notice or any defect in any redemption notice shall not affect the validity of the proceeding for the redemption of Bonds with respect to which such failure or defect did not occur. Any Bond redeemed prior to its maturity by prior redemption or otherwise shall not be reissued and shall be cancelled.

Section 5. Form of the Bonds. The Bonds shall be in substantially the form set forth in Appendix A hereto, with such changes thereto, not inconsistent herewith, as may be necessary or desirable and approved by the officials of the City executing the same (whose manual or facsimile signatures thereon shall constitute conclusive evidence of such approval). The Bond shall recite that it is issued under the authority of the Enabling Laws. Although attached as an appendix for the convenience of the reader, Appendix A is an integral part of this Ordinance and is incorporated herein as if set forth in full in the body of this Ordinance.

Section 6. Execution, Authentication and Delivery of the Bonds.

(a) ***Execution***. The Bonds shall be executed in the name and on behalf of the City with the manual or facsimile signature of the Mayor, shall bear a manual or facsimile of the seal of the City and shall be attested by the manual or facsimile signature of the City Clerk both of whom are hereby authorized and directed to prepare and execute the Bonds in accordance with the requirements hereof. Should any officer whose manual or facsimile signature appears on the Bonds cease to be such officer before delivery of any Bond, such manual or facsimile signature shall nevertheless be valid and sufficient for all purposes.

(b) ***Authentication***. When the Bonds have been duly executed, the officers of the City are authorized to, and shall, deliver the Bonds to the Paying Agent for authentication. No Bond shall be secured by or entitled to the benefit of this Ordinance, or shall be valid or obligatory for any purpose, unless the certificate of authentication of the Paying Agent has been manually executed by an authorized signatory of the Paying Agent. The executed certificate of authentication of the Paying Agent upon any Bond shall be conclusive evidence, and the only competent evidence, that such Bond has been properly authenticated hereunder.

(c) ***Delivery***. Upon the authentication of the Bonds, the Paying Agent shall deliver the same in accordance with the instructions of the Underwriter upon receipt by the City of the agreed purchase price of the Bonds from the Underwriter and the issuance of the approving opinion of Bond Counsel.

Section 7. Registration, Transfer and Exchange of the Bonds.

(a) ***Registration***. The Paying Agent shall maintain registration books in which the ownership, transfer and exchange of Bonds shall be recorded. The person in whose name any Bond shall be registered on such registration books shall be deemed to be the absolute owner thereof for all purposes, whether or not payment on any Bond shall be overdue, and neither the City nor the Paying Agent shall be affected by any notice or other information to the contrary.

(b) ***Transfer and Exchange***. The Bonds may be transferred or exchanged, at the principal office of the Paying Agent for a like aggregate principal amount of Bonds of other authorized denominations of the same maturity and interest rate, upon payment by the transferee of a transfer fee, any tax or governmental charge required to be paid with respect to such transfer or exchange and any cost of printing bonds in connection therewith. Upon surrender for transfer of any Bond, duly endorsed for transfer or accompanied by an assignment duly executed by the Owner or his or her attorney duly authorized in writing, the City shall execute and the Paying Agent shall authenticate and deliver in the name of the transferee a new Bond.

(c) ***Limitations on Transfer***. The City and Paying Agent shall not be required to issue or transfer any Bonds during a period beginning at the close of business on the Record Date and ending at the opening of business on the first Business Day following the ensuing interest payment date. The Paying Agent shall not be required to transfer any Bonds selected or called for redemption.

(d) ***Replacement of Lost, Destroyed or Stolen Bonds.*** If any Bond shall become lost, apparently destroyed, stolen or wrongfully taken, it may be replaced in the form and tenor of the lost, destroyed, stolen or taken bond and the City shall execute and the Paying Agent shall authenticate and deliver a replacement Bond upon the Owner furnishing, to the satisfaction of the Paying Agent: (a) proof of ownership (which shall be shown by the registration books of the Paying Agent); (b) proof of loss, destruction or theft; (c) an indemnity to the City and the Paying Agent with respect to the Bond lost, destroyed or taken; and (d) payment of the cost of preparing and executing the new bond or bonds.

Section 8. Reaffirmation of the Sewer Fund; Establishment of Accounts.

(a) ***Reaffirmation of Sewer Fund***. The City hereby reaffirms the establishment of the Sewer Fund.

(b) ***Establishment of Accounts in Sewer Fund***. There are hereby created and established within the Sewer Fund, in addition to other accounts which are established in said fund, the Bond Account, the Reserve Account and the Project Account. In accordance with generally accepted accounting principles, for the purpose of accounting for the moneys provided for in this Ordinance the City Finance Director may create offsetting revenue and expense accounts not inconsistent with the provisions hereof, all as may be determined by the City Finance Director.

(c) ***Investments***. Proceeds of the Bonds delivered to the City pursuant to the Section hereof titled "Application of Bond Proceeds," moneys on deposit in the Bond Account and the Reserve Account, and any moneys held by the Paying Agent with respect to the Bonds, shall be invested or deposited in securities or obligations which are Permitted Investments. The investment of moneys shall, however, be subject to the covenants and provisions of the Sections hereof titled "Federal Tax Covenants" and "Reserve Account". Subject to such covenants and provisions, all investment earnings shall be credited to the respective accounts in which such earnings have been generated.

Section 9. Application of Bond Proceeds. Upon payment to the City of the purchase price of the Bonds in accordance with the Bond Purchase Agreement, the Bonds shall be delivered to, or as directed by, the Underwriter and the proceeds received by the City from the sale of the Bonds shall be applied as a supplemental appropriation by the City for payment of the costs of issuance of the Bonds (including the payment of the premiums due in connection with the issuance of the Bond Insurance Policy and the Reserve Surety Bond) and thereafter for deposit to the Reserve Account, the amount, if any, necessary to fund the Reserve Account in the amount of the Required Reserve, for deposit to the Bond Account, the amount of capitalized interest, if any, and the balance of proceeds for deposit to the Project Account. The moneys deposited into the Project Account shall be used to pay the costs of the Wastewater Treatment Plant Project. Upon completion of the Wastewater Treatment Plant Project, the balance of moneys in the Project Account, if any, shall be transferred to the Bond Account or applied to other System Capital Improvements as may be approved by the Council.

Section 10. Deposit of Gross Revenues. The City shall deposit to the Sewer Fund all Gross Revenue immediately upon receipt. The City shall pay from the Sewer Fund all Operation and Maintenance Expenses as they become due and payable. After such payments, the City shall apply the Net Revenues in the following order of priority:

FIRST, to the credit of the Bond Account, the amounts required by the Section hereof titled "Bond Account", and to the credit of any other account established for the payment of the principal of, premium if any, and interest on Parity Lien Obligations, the amounts required by the instruments authorizing or controlling the payment of such Parity Lien Obligations;

SECOND, to the credit of the Reserve Account, the amounts required by the Section hereof entitled "Reserve Account" and any similar reserve account established to prevent a default in the timely payment of Parity Lien Obligations;

THIRD, to the payment and reimbursement of all amounts due in connection with the Reserve Surety Bond and any similar surety or reserve account contract for Parity Lien Obligations;

FOURTH, to the credit of any other fund or account hereafter established for the payment of the principal of, premium, if any, and interest on subordinate lien obligations, including any sinking fund, reserve fund, or similar fund or account established therefor, the amounts required by the ordinance or other enactment authorizing issuance of the subordinate lien obligations; and

FIFTH, to the credit of any other fund or account as may be designated by the City, to be used for any lawful purpose, any moneys remaining in the Sewer Fund after the payments and accumulations set forth in First through Fourth above.

Section 11. Bond Account.

(a) ***Use of Moneys in Bond Account***. Moneys deposited in the Bond Account shall be used solely for the purpose of paying the principal of, premium, if any, and interest on the Bonds.

(b) ***Deposits to Bond Account***. On or before the last day of each month, commencing in the month next succeeding the date of issuance of the Bonds, the City shall credit to the Bond Account from the Net Revenues, an amount equal to the Pro Rata Portion of the interest and principal to come due on the Bonds on the next succeeding Interest Payment Date and Principal Payment Date, respectively; provided however, there shall have been credited to the Bond Account the full amount necessary for the payment of the interest and principal to come due on the Bonds not less than five Business Days prior to the date on which such amounts are due. All deposits to the Bond Account shall first be allocated to the payment of interest on the Bonds and thereafter to the payment of principal.

Section 12. Reserve Account.

(a) ***Use of Money in Reserve Account.*** Moneys in the Reserve Account shall be used, if necessary, only to prevent a default in the payment of the principal of, premium if any, or interest on the Bonds, and the Reserve Account is hereby pledged to the payment of the Bonds. In the event the amounts credited to the Bond Account are insufficient to pay the principal of, premium if any, or interest on Bonds when due, the City shall transfer from the Reserve Account to the Bond Account an amount which, when combined with moneys therein, will be sufficient to make such payments when due.

(b) ***Maintenance of Reserve Account.*** The Reserve Account shall be maintained in the amount of the Required Reserve. If at any time the amount of the Reserve Account is less than the Required Reserve, the City shall deposit to the Reserve Account from Net Revenues, amounts sufficient to bring the amount credited to the Reserve Account to the Required Reserve. Such deposits shall be made as soon as possible after such use, but in accordance with and subject to the limitations of the Section hereof entitled "Deposit of Gross Revenues."

(c) ***Permitted Investments and Reserve Surety Bond.*** The Required Reserve shall be funded and maintained by any one of or any combination of cash, Permitted Investments, or a Reserve Surety Bond; provided any cash or Permitted Investments shall transferred from the Reserve Account to the Bond Account prior to any demand being made on the Reserve Surety Bond. A Reserve Surety Bond shall satisfy the Required Reserve Amount by the amount payable to the City pursuant to the Reserve Surety Bond. Investments purchased with funds credited to the Reserve Account shall be subject to any further limitations required by the Bond Insurer. So long as the amount of the Reserve Account is equal to the Required Reserve, all interest income from the investment or reinvestment of moneys credited to the Reserve Account shall be credited to the Bond Account; provided that if the amount of the Reserve Account is less than the Required Reserve, then such interest income shall be credited to the Reserve Account.

Section 13. Pledge and Lien for Payment of Bonds.

(a) ***Pledge of Revenues***. The City hereby pledges for the payment of the principal of, premium, if any, and interest on the Bonds at any time outstanding, and grants an irrevocable and first lien for such purpose on Net Revenues and on all moneys on deposit in the Reserve Account; provided however, the first lien on Net Revenues is not exclusive if Parity Lien Obligations are issued. These pledges shall be valid and binding from and after the date of the first delivery of the Bonds, and the moneys, as received by the City and hereby pledged, shall immediately be subject to the lien of the respective pledges without any physical delivery thereof, any filing, or further act. The creation, perfection, enforcement, and priority of the pledge of revenues to secure or pay the Bonds as provided herein shall be governed by Section 11-57-208, C.R.S.

(b) ***Superior Liens Prohibited***. With the exception of any superior liens in existence as of the date hereof, the City shall not pledge or create any other lien on the revenues and moneys pledged pursuant to the preceding paragraph (a) of this Section hereof that is superior to the pledge thereof or lien thereon pursuant to such paragraph.

(c) ***Subordinate Liens Permitted***. Nothing herein shall prohibit the City from issuing subordinate lien obligations and pledging or creating a lien on the revenues and moneys pledged and the lien created pursuant paragraph (a) of this Section that is subordinate to the pledge thereof or lien thereon pursuant to paragraph (a) of this Section; provided that no Event of Default shall have occurred and be continuing.

(d) ***No Prohibition on Additional Security***. Nothing herein shall prohibit the City from applying any legally available revenues that are not Net Revenues to the payment of the Bonds (and thereby subjecting the moneys so deposited to the pledge made and lien granted in paragraph (a) of this Section).

(e) ***Bonds Are Special, Limited Obligations of the City***. The Owners may not look to any general or other fund of the City for the payment of the principal of or interest on the Bonds, except the funds and accounts pledged thereto by this Ordinance, and the Bonds shall not constitute a debt or an indebtedness of the City within the meaning of any constitutional or Charter limitation, nor shall they be considered or held to be general obligations of the City.

Section 14. Parity Lien Obligations. The City shall not issue Parity Lien Obligations having a lien which is on a parity with the lien of the Bonds set forth in paragraph (a) of the Section hereof titled "Pledge and Lien for Payment of Bonds" unless all of the following conditions are satisfied:

(a) ***Parity Lien Test***. The Mayor or other City official or employee designated in writing by the Mayor certifies in writing that either:

(i) the proceeds of the proposed Parity Lien Obligations will be used to refund the Bonds, or other Parity Lien Obligations, and the maximum annual principal of and interest due on the proposed Parity Lien Obligations is not greater than the maximum annual principal of and interest due on the Bonds, or other outstanding Parity Lien Obligations, that will be refunded; or

(ii) the Net Revenues for any 12 consecutive months in the 18 months immediately preceding the month in which such certification is delivered (referred to in this clause as the "test period") have been equal to at least 115% of the sum of the Combined Maximum Annual Principal and Interest Requirements on the Bonds and any outstanding Parity Lien Obligations, and the proposed Parity Lien Obligations during each calendar year following the date of issuance of the proposed Parity Lien Obligations; provided that in calculating the Net Revenues during the test period, the City may add an amount by which the City reasonably estimates the Net Revenues would have been increased during the test period from any increase in rates, fees, and charges for services furnished by or the use of the System during or since said test period, the effect of which is to estimate a sum which would have been realized had the increase been in effect during the entire test period.

(b) ***No Event of Default***. The Mayor (or other City official or employee designated in writing by the Mayor) certifies in writing that no Event of Default has occurred and is continuing and that the City is current in the accumulation of all amounts required to be then accumulated in the Bond Account and the Reserve Account, as required by this Ordinance

(c) ***Refunding Obligations.*** Notwithstanding the foregoing, the City may issue refunding obligations payable out of, or secured by a lien on, the Net Revenues without compliance with the requirements stated above, provided that the debt service payments on such refunding obligations do not exceed the debt service payments on the refunded obligations during any calendar year.

Section 15. Additional General Covenants. In addition to the other covenants of the City contained herein, the City hereby further covenants for the benefit of Owners of the Bonds that:

(a) ***Maintenance of Sewer Rates and Coverage***. The City hereby covenants that it will establish, maintain, enforce, and collect rates, fees, and charges for services furnished by or the use of the System to create Gross Revenue each Fiscal Year sufficient to pay Operation and Maintenance Expenses and to create Net Revenues in an amount: (a) equal to not less than 115% of the amount necessary to pay when due the principal of and interest on the Bonds and any Parity Lien Obligations coming due during such Fiscal Year; (b) sufficient to make up any deficiencies in the Reserve Account; and (c) sufficient to make any required reimbursement due in connection with the Reserve Surety Bond. In the event that the Gross Revenue at any time is not sufficient to make such payments, the City shall promptly increase such rates, fees, and charges to an extent which will ensure the payments and accumulations required by this Ordinance.

(b) ***Efficient Operations***. The City will continue to operate and manage the System in an efficient and economical manner in accordance with all applicable laws, rules and regulations, and keep and maintain separate accounts of the receipts and expenses thereof in such manner that the Net Revenues may at all times be readily and accurately determined.

(c) ***No Free Service***. Upon the occurrence of an Event of Default and for so long as the Event of Default is continuing, the City will furnish no free service from the System, and if the City shall use the facilities of the System for its own purposes, it shall pay monthly a fair and reasonable amount for such service. In no event shall the City be required to meter its use nor shall the City be required to pay a greater amount than would be charged a private consumer for the same amount of service. The City shall include in its annual appropriation and budget amounts sufficient to pay for all service so used.

(d) ***Sale or Alienation of Property***. The City will not sell or alienate any of the property constituting any part or all of the System in any manner or to any extent as might reduce the security provided for the payment of the Bonds, but the City may sell any portion of such property which shall have been replaced by other similar property of at least equal value, or which shall cease to be necessary for the efficient operations; provided however, that the proceeds of any such sale of System property shall be included as part of the Gross Revenue.

(e) ***Billing and Enforcement***. The City will promptly render bills for services furnished by or the use of the System, shall use all legal means to assure prompt payment thereof, shall take such action as may be necessary to make delinquent rates, fees, and charges of the System a lien upon the real property served, and to the extent permitted by law, shall discontinue service to any user who becomes delinquent in the payment of such charges until the delinquency and all interest, costs, and expenses incident thereto have been paid in full; provided however, as long as the City is compliance with paragraph (a) of this Section regarding maintenance of the required coverage level and no Event of Default has occurred and is continuing, in the event of unforeseen circumstances such as the widespread occurrence of an infectious disease, the Council shall have the ability to temporarily defer or waive the payment of delinquent rates, fees and charges, or the pursuit of actions customarily taken in connection with bills for services furnished by or the use of the System.

(f) ***Audits***. At least once a year in the time and manner provided by law, the City will cause an audit to be performed of the records relating to the revenues and expenditures of the System. Such audit may be made part of and included within the general audit of the City, and made at the same time as the general audit. In addition, at least once a year in the time and manner provided by law, the City will cause a budget to be prepared and adopted. Copies of the budget and the audit will be filed and recorded in the places, time, and manner provided by law.

(g) ***Insurance***. The City will carry fire and extended coverage, workers' compensation, public liability, and such other forms of insurance on insurable System property as would ordinarily be carried by utilities having similar properties of equal value, such insurance being in such amounts as will protect the System and its operations. In the event of any loss or damage to the System, or in the event part or all of the System is taken by the exercise of a power of eminent domain, the insurance proceeds or the condemnation award shall be used for restoring, replacing or repairing the property lost, damaged or taken, and the remainder thereof, if any, shall be considered as Gross Revenue; provided however, that if the Council determines that the operation of the System and the security for the Bonds will not be adversely affected thereby, the City Council may determine not to restore, replace or repair the property lost, damaged or taken and all of the insurance proceeds or condemnation award shall be considered as Gross Revenue.

(h) ***Enterprise Status***. The City has and will continue to maintain the System as an "enterprise" within the meaning Article X, Section 20 of the Colorado Constitution; provided, however, after the current calendar year the City may disqualify the System as an "enterprise" in any year in which said disqualification does not materially, adversely affect the enforceability of the covenants made pursuant to this Ordinance with respect to the Bonds. In the event that the System is disqualified as an enterprise and the enforceability of the covenants made pursuant to this Ordinance are materially, adversely affected, the City covenants to (i) immediately take all actions necessary to qualify System as an enterprise within the meaning of Article X, Section 20 of the Colorado Constitution; and (ii) permit the enforcement of the covenants made herein.

(i) ***Book-Entry Registration***. The DTC Blanket Letter of Representations previously entered into with DTC shall govern the book-entry registration system for the Bonds.

Section 16. Federal Tax Covenants. For purposes of ensuring that the interest on the Bonds is and remains excluded from gross income for federal income tax purposes, the City hereby covenants that:

(a) ***Prohibited Actions***. The City will not use or permit the use of any proceeds of the Bonds or any other funds of the City from whatever source derived, directly or indirectly, to acquire any securities or obligations and shall not take or permit to be taken any other action or actions, which would cause any Bond to be an "arbitrage bond" within the meaning of Section 148 of the Code, or would otherwise cause the interest on any Bond to be includible in gross income for federal income tax purposes.

(b) ***Affirmative Actions***. The City will at all times do and perform all acts permitted by law that are necessary in order to assure that interest paid by the City on the Bonds shall not be includible in gross income for federal income tax purposes under the Code or any other valid provision of law. In particular, but without limitation, the City represents, warrants and covenants to comply with the following rules unless it receives an opinion of Bond Counsel stating that such compliance is not necessary: (i) gross proceeds of the Bonds will not be used in a manner that will cause the Bonds to be considered "private activity bonds" within the meaning of the Code, (ii) the Bonds are not and will not become directly or indirectly "federally guaranteed," and (iii) the City will timely file Internal Revenue Form 8038G which shall contain the information required to be filed pursuant to Section 149(e) of the Code.

(c) ***Tax Letter of Instructions***. The City will comply with the Tax Letter of Instructions delivered to it on the date of issuance of the Bonds, including but not limited by the provisions of the Tax Letter of Instructions regarding the application and investment of Bond proceeds, the calculations, the deposits, the disbursements, the investments and the retention of records described in the Tax Letter of Instructions; provided that, in the event the Tax Letter of Instructions are superseded or amended by new Tax Letter of Instructions drafted by, and accompanied by an opinion of, Bond Counsel stating that the use of the new Tax Letter of Instructions will not cause the interest on the Bonds to become includible in gross income for federal income tax purposes, the City will thereafter comply with the new Tax Letter of Instructions.

Section 17. Defeasance. Any Bond shall not be deemed to be outstanding hereunder if it shall have been paid and cancelled or if cash or Federal Securities shall have been deposited in trust for the payment thereof (whether upon or prior to the maturity of such Bond, but if such Bond is to be paid prior to maturity, the City shall have given the Paying Agent irrevocable directions to give notice of redemption as required by this Ordinance, or such notice shall have been given in accordance with this Ordinance). In computing the amount of the deposit described above, the City may include interest to be earned on the Federal Securities. If less than all the Bonds are to be defeased pursuant to this Section, the City, in its sole discretion, may select which of the Bonds shall be defeased.

Notwithstanding anything herein to the contrary, in the event that the principal and/or interest due on the Bonds shall be paid by the Bond Insurer pursuant to the Bond Insurance Policy, the Bonds shall remain Outstanding for all purposes, not be defeased or otherwise satisfied and not be considered paid by the City, and all covenants, agreements and other obligations of the City to the Owners shall continue to exist and shall run to the benefit of the Bond Insurer, and the Bond Insurer shall be subrogated to the rights of such Owners.

Section 18. Events of Default. With respect to the Bonds, each of the following events constitutes an Event of Default:

(a) ***Nonpayment of Principal or Interest***. The failure to make any payment of principal of, premium, if any, or interest on the Bonds when due hereunder;

(b) ***Material Covenant Breach***. A breach by the City of any material covenant set forth herein relating to the Bonds or failure by the City to perform any material duty imposed on it hereunder and continuation of such breach or failure for a period of 60 days after receipt by the City Attorney of the City of written notice thereof from the Paying Agent or from the Owners of at least 10% in principal amount of the outstanding Bonds;

(c) ***Cross Defaults***. The occurrence and continuance of an "event of default," as defined in any Ordinance providing for the issuance of Parity Lien Obligations; or

(d) ***Appointment of Receiver***. An order or decree is entered by a court of competent jurisdiction appointing a receiver for all or any portion of the revenues and moneys pledged for the payment of the Bonds pursuant hereto is entered with the consent or acquiescence of the City or is entered without the consent or acquiescence of the City but is not vacated, discharged or stayed within thirty days after it is entered.

Section 19. Remedies for Events of Default.

(a) ***Remedies***. Upon the occurrence and continuance of any Event of Default, the Owners of not less than 25% in principal amount of the applicable Bonds then outstanding for which the Event of Default has occurred, may proceed against the City to protect and to enforce the rights of any Owner of the applicable Bonds under this Ordinance by mandamus, injunction or by other suit, action or special proceedings in equity or at law, in any court of competent jurisdiction: (i) for the payment of interest on any installment of principal of any Bond that was not paid when due at the interest rate borne by such bond; (ii) for the appointment of a receiver or an operating trustee; (iii) for the specific performance of any covenant contained herein; (iv) to enjoin any act that may be unlawful or in violation of any right of any Owner of any Bond; (v) to require the City to act as if it were the trustee of an express trust; (vi) for any other proper legal or equitable remedy as such Owner may deem most effectual to protect their rights; or (vii) any combination of such remedies or as otherwise may be authorized by any statute or other provision of law; provided, however, that acceleration of any amount not yet due on the Bonds according to their terms shall not be an available remedy. All such proceedings at law or in equity shall be instituted, had and maintained for the equal benefit of all Owners of the applicable Bonds then outstanding. Any receiver or operating trustee appointed in any proceedings to protect the rights of Owners of Bonds hereunder may collect, receive and apply all revenues and moneys pledged for the payment of the Bonds pursuant hereto arising after the appointment of such receiver or operating trustee in the same manner as the City itself might do.

(b) ***Failure To Pursue Remedies Not a Release; Rights Cumulative***. The failure of any Owner of any Bond then outstanding to proceed in any manner herein provided shall not relieve the City of any liability for failure to perform or carry out its duties hereunder. Each right or privilege of any such Owner or trustee therefor is in addition and is cumulative to any other right or privilege, and the exercise of any right or privilege by or on behalf of any Owner shall not be deemed a waiver of any other right or privilege thereof. Each Owner of any Bond shall be entitled to all of the privileges, rights and remedies provided or permitted in this Ordinance and as otherwise provided or permitted by law or in equity. Nothing herein affects or impairs the right of any Owner of any Bond to enforce the payment of the debt service due in connection with his or her Bond or the obligation of the City to pay the debt service of each Bond to the Owner thereof at the time and the place specified herein.

(c) ***Obligations of City and Paying Agent in Connection with Events of Default***. Upon the occurrence and continuation of any of Events of Default: (i) the City shall take all proper acts to protect and preserve the security for the payment of the Bonds and to insure the payment of debt service on the Bonds promptly when due; and (ii) the City and the Paying Agent shall give the Owners of the Bonds then outstanding notice by first-class mail or by electronic means to DTC or its successors of (A) any default in the payment of, premium, if any, or interest on the Bonds immediately after discovery thereof;

and (B) any other Event of Default within 30 days after discovery thereof. During the continuation of any Event of Default, except to the extent it may be unlawful to do so, all revenues and moneys pledged for the payment of the Bonds pursuant hereto shall be held for and applied to the debt service on all Bonds on an equitable and prorated basis. If the City fails or refuses to proceed as provided in this paragraph, the Owners of not less than 25% in principal amount of the Bonds then outstanding, after demand in writing, may proceed to protect and to enforce the rights of the Owners of the Bonds as provided in this paragraph; and to that end any such rights of Owners of Bonds then outstanding shall be subrogated to all rights of the City under any agreement or contract involving the revenues and moneys pledged for the payment of the Bonds pursuant hereto that was entered into prior to the effective date of this Ordinance or thereafter while any of the Bonds are outstanding. Nothing herein requires the City to proceed as provided in this paragraph if it determines in good faith and without any abuse of its discretion that such action is likely to affect materially and prejudicially the Owners of the Bonds then outstanding.

(d) ***Bond Insurer***. To the extent that this Ordinance confers upon or gives or grants to the Bond Insurer any right, remedy or claim under or by reason of this Ordinance, the Bond Insurer is hereby explicitly recognized as being a third-party beneficiary hereunder and may enforce any such right, remedy or claim conferred, given or granted hereunder. Upon the occurrence and continuance of an Event of Default, so long as it is not in default of its obligations under the Bond Insurance Policy, the Bond Insurer shall be entitled to control and direct the enforcement of all rights and remedies granted to the Owners under this Ordinance and pursuant to State law.

Section 20. Bond Insurance. Upon the recommendation of the Underwriter based upon market conditions and the rating on the Bonds, one or more bond insurers may be requested to submit bids to issue the Bond Insurance Policy. In the event that the Sale Delegate determines, based upon information provided by the Underwriter, that the lowest acceptable premium bid for issuance of the Bond Insurance Policy is less than the interest cost savings to be realized by the City as a result of the issuance of the Bond Insurance Policy, the Sale Delegate may accept the Commitment issued by the lowest acceptable bidder and the Bonds shall be issued insured by the Bond Insurance Policy issued by such lowest acceptable bidder, who may be deemed to be the Bond Insurer hereunder. In the event the Sale Delegate determines, based upon information provided by the Underwriter that the lowest acceptable premium bid for the Bond Insurance Policy is more than the interest cost savings to be realized by the City as a result of the issuance of the Bond Insurance Policy, the Bonds shall be issued without bond insurance. If the Bonds are issued insured by the Bond Insurance Policy, the officers and employees of the City are hereby authorized and directed to take all actions necessary to cause the Bond Insurer selected to issue the Bond Insurance Policy in accordance with the Commitment, including without limitation, payment of the premium due in connection therewith and entering into any authorizing agreements. For purposes of this Section, the term "lowest acceptable premium bid" means the lowest bid submitted which is not conditioned upon the City's compliance with conditions deemed unacceptable by the Sale Delegate, and the term "lowest acceptable bidder" means the bidder submitting the lowest acceptable premium bid.

Section 21. Amendment of Ordinance.

(a) ***Amendments Permitted Without Notice to or Consent of Owners***. The City may, without the consent of or notice to the Owners of the Bonds, adopt one or more ordinances amending or supplementing this Ordinance, which ordinances shall thereafter become a part hereof, for any one or more or all of the following purposes: (i) to cure any ambiguity or to cure, correct or supplement any defect or inconsistent provision of this Ordinance; (ii) to subject to this Ordinance additional revenues, properties or collateral; (iii) to facilitate the designation of a substitute securities depository or to terminate the book-entry registration system for the Bonds; (iv) to facilitate the issuance of Parity Lien Obligations; and (v) to make any other change that does not materially adversely affect the Owners of the Bonds.

(b) ***Amendments Requiring Notice to and Consent of Owners***. Except for amendments permitted by paragraph (a) of this Section, this Ordinance may only be amended (i) by an ordinance of the City amending or supplementing this Ordinance (which, after the consents required therefor, shall become a part hereof); and (ii) with the written consent of the Owners of at least 66-2/3% in aggregate principal amount of the Bonds then outstanding; provided that any amendment that makes any of the following changes with respect to any Bond shall not be effective without the written consent of the Owner of such bond: (A) a change in the maturity of such bond; (B) a reduction of the interest rate on such bond; (C) a change in the terms of redemption of such bond; (D) a delay in the payment of principal of, premium, if any, or interest on such bond; (E) the creation of any pledge of or lien upon any revenues or moneys pledged for the payment of such bond hereunder that is superior to the pledge and lien for the payment of such bond hereunder; (F) a relaxation of the conditions to the issuance of Parity Lien Obligations or to the creation of any pledge of or lien upon any revenues or moneys pledged for the payment of such bond hereunder that is equal to or on a parity with the pledge and lien for the payment of such bond hereunder; (G) a reduction of the principal amount or percentage of Bonds whose consent is required for an amendment to this Ordinance; or (H) the establishment of a priority or preference for the payment of any amount due with respect to any other Bond over such bond.

(c) ***Bond Insurance***. Notwithstanding the foregoing, the Bond Insurer's consent shall be required in addition to the consent of Owners, when required, for the following purposes: (i) execution and delivery of any supplemental Ordinance or any amendment, supplement or change to or modification of this Ordinance; (ii) removal of the Paying Agent and selection and appointment of a successor; and (iii) initiation or approval of any action not described in (i) or (ii) above which requires the consent of Owners.

(d) ***Procedure for Notifying and Obtaining Consent of Owners***. Whenever the consent of an Owner or Owners of Bonds is required under the preceding paragraph (b) of this Section, the City shall mail a notice to such Owner or Owners at their addresses as set forth in the registration books maintained by the Paying Agent or by electronic means to DTC or its successors and to the Underwriter, which notice shall briefly describe the proposed amendment and state that a copy of the amendment is on file in the office of the City Clerk for inspection. Any consent of any Owner of any Bond obtained with respect to an amendment shall be in writing and shall be final and not subject to withdrawal, rescission or modification for a period of sixty days after it is delivered to the City unless another time period is stated for such purpose in the notice mailed pursuant to this paragraph.

Section 22. Findings and Determinations; Limitation of Actions. The Council hereby finds, determines and declares that it is in the best interest of the City and its residents that the Bonds be authorized, sold, issued and delivered at the time, in the manner and for the purposes provided herein. The Council elects to apply all of the provisions of the Supplemental Public Securities Act. In accordance with Section 11-57-212, C.R.S., no legal or equitable action can be brought with respect to any legislative acts or proceedings in connection with the authorization or issuance of the Bonds more than thirty days after the authorization of such securities.

Section 23. Appointment and Duties of Paying Agent. The Paying Agent is hereby appointed as paying agent, registrar and authenticating agent for the Bonds unless and until the City removes it as such and appoints a successor Paying Agent, in which event such successor shall automatically succeed to the duties of the Paying Agent hereunder and its predecessor shall immediately turn over all its records regarding the Bonds to such successor. The Paying Agent, by accepting its duties as such, agrees to perform all duties and to take all actions assigned to it hereunder in accordance with the terms hereof. The appointment and acceptance of the duties of Paying Agent hereunder may be affected through the execution of an agreement between the City and the Paying Agent.

Section 24. Approval of Related Documents.

(a) ***Preliminary Official Statement.*** The Preliminary Official Statement is hereby authorized and approved. The Preliminary Official Statement is hereby deemed by the Council to be final as of its date within the meaning of Rule 15c2-12(b)(1) of the U.S. Securities and Exchange Commission. The Council hereby authorizes the preparation and distribution of a final Official Statement in conjunction with an offer of the Bonds to the public. The Official Statement shall contain such corrections and additional or updated information so that it will not contain any untrue statement of a material fact or omit to state a material fact necessary in order to make the statements made therein, in light of the circumstances under which they were made, not misleading. The Mayor is hereby authorized to execute copies of the Preliminary Official Statement and the Official Statement on behalf of the City.

(b) ***Bond Purchase Agreement.*** For a period of one year following the effective date of this Ordinance, the Sale Delegate is authorized to execute the Bond Purchase Agreement, which shall be in substantially the form presented to City staff and made available to the City Council, and shall be completed in accordance with the terms of this Ordinance (which, once executed, shall constitute conclusive evidence of approval of the City).

(c) ***Other Documents and Certificates.*** The Mayor, the City Clerk, the Sale Delegate and all other officers of the City are hereby authorized and directed to execute all documents and certificates necessary or desirable to effectuate the issuance of the Bonds and the transactions contemplated hereby including, but not limited to, the execution of the Paying Agent and Registrar Agreement and the Continuing Disclosure Undertaking in substantially the forms presented to this meeting of the Council, as well as industry standard forms of the Commitment, the standard form of repayment agreement required by the Bond Insurer in connection with the issuance of the Reserve Surety Bond and such certificates and affidavits as may be reasonably required in connection with the issuance of the Bonds. The execution by any member of the Council of any document authorized herein shall be conclusive proof of the approval by the City of the terms thereof.

Section 25. Ratification of Prior Actions. All actions heretofore taken (not inconsistent with the provisions of this Ordinance) by the Council or by the officers and employees of the City directed toward the issuance of the Bonds for the purposes herein set forth are hereby ratified, approved and confirmed.

Section 26. Events Occurring on Days That Are Not Business Days. Except as otherwise specifically provided herein with respect to a particular payment, event or action, if any payment to be made hereunder or any event or action to occur hereunder which, but for this section, is to be made or is to occur on a day that is not a Business Day shall instead be made or occur on the next succeeding day that is a Business Day.

Section 27. Headings. The headings to the various sections and paragraphs to this Ordinance have been inserted solely for the convenience of the reader, are not a part of this Ordinance, and shall not be used in any manner to interpret this Ordinance.

Section 28. Ordinance Irrepealable. After any of the Bonds have been issued, this Ordinance shall constitute a contract between the Owners and the City, and shall be and remain irrepealable until the Bonds and the interest accruing thereon shall have been fully paid, satisfied, and discharged, as herein provided.

Section 29. Severability. It is hereby expressly declared that all provisions hereof and their application are intended to be and are severable. In order to implement such intent, if any provision hereof or the application thereof is determined by a court or administrative body to be invalid or unenforceable, in whole or in part, such determination shall not affect, impair or invalidate any other provision hereof or the application of the provision in question to any other situation; and if any provision hereof or the application thereof is determined by a court or administrative body to be valid or enforceable only if its application is limited, its application shall be limited as required to most fully implement its purpose.

Section 30. Repealer. All orders, bylaws, ordinances, and resolutions of the City, or parts thereof, inconsistent or in conflict with this Ordinance, are hereby repealed to the extent only of such inconsistency or conflict.

Section 31. Publication, Effective Date; Recording. This Ordinance, after its passage on final reading, shall be numbered, recorded, published and posted as required by the Charter and the adoption, posting and publican shall be authenticated by the signature of the Mayor and the City Clerk. This Ordinance shall become effective 5 days after publication following final passage as provided by the Charter.

Please take notice that the City Council of the City of Montrose, Colorado will hold a hearing upon the above Ordinance and on the question of its passage on first reading on Tuesday, the 6th day of January, 2026, at the hour of 6:00 pm at the City Council Chambers, Elks' Civic Building, in Montrose, Colorado.

INTRODUCED, READ AND PASSED on first reading, this 6th day of January, 2026.

CITY OF MONTROSE, COLORADO

____
Dave Frank, Mayor

ATTEST:

____
Lisa DelPiccolo, City Clerk

INTRODUCED, READ AND ADOPTED on second reading this ___ day of _________, 2026.

CITY OF MONTROSE, COLORADO

____
Dave Frank, Mayor

ATTEST:

____
Lisa DelPiccolo, City Clerk

APPENDIX A

FORM OF THE BOND

UNITED STATES OF AMERICA
STATE OF COLORADO

No. R-_______ $__________

CITY OF MONTROSE, COLORADO
ACTING BY AND THROUGH ITS SEWER UTILITY ENTERPRISE
SEWER UTILITY REVENUE BOND
SERIES `2026

Interest Rate:	Maturity Date:	Dated Date:	CUSIP:
%	__________________	_________, 2026	___________

REGISTERED OWNER: Cede & Co.
Tax Identification Number: 13-2555119

PRINCIPAL SUM: ____ DOLLARS

CITY OF MONTROSE, COLORADO, in the State of Colorado, a duly organized and validly existing City and political subdivision of the State of Colorado, acting by and through its Sewer Utility Enterprise (the "City"), for value received, hereby promises to pay to the order of the registered owner named above or registered assigns, solely from the special funds as hereinafter set forth, on the maturity date stated above, the principal sum stated above, in lawful money of the United States of America, with interest thereon from the Dated Date stated above, at the interest rate per annum stated above, payable on June 1 and December 1 of each year, commencing June 1, 2026, the final installment of the principal of and interest on this bond being payable to the registered owner hereof upon presentation and surrender of this bond at UMB Bank, n.a., as Paying Agent (the "Paying Agent"), at such location as identified by the Paying Agent. Prior to the final installment of principal and interest on this bond, this bond is payable by check or draft of the Paying Agent mailed on the Principal Payment Date or the Interest Payment Date to the Owner thereof as of the Record Date to the registered owner hereof as of the close of business on the fifteenth day of the month (whether or not such day is a Business Day) preceding the interest payment date.

This bond is one of an issue of bonds of the City designated Sewer Utility Revenue Bonds, Series 2026, issued in the principal amount of $_________ (the "Bonds"). The Bonds are being issued by the City for the purpose of financing certain wastewater treatment plant improvements, pursuant to and in full conformity with the Constitution, the Charter and the laws of the State of Colorado, as well as an ordinance (the "Ordinance") duly adopted by the City prior to the issuance hereof.

[The redemption provisions provided in the Ordinance shall be set forth in this place.]

The Paying Agent shall maintain registration books in which the ownership, transfer and exchange of the Bonds shall be recorded. The person in whose name this bond shall be registered on such registration books shall be deemed to be the absolute owner hereof for all purposes, whether or not payment on this bond shall be overdue, and neither the City nor the Paying Agent shall be affected by any notice or other information to the contrary. This bond may be transferred or exchanged, at the principal operations office of the Paying Agent or at such other location as identified by the Paying Agent, for a like aggregate principal amount of the Bonds of other authorized denominations of the same maturity and interest rate, upon payment by the transferee of a transfer fee, any tax or governmental charge required to be paid with respect to such transfer or exchange and any cost of printing bonds in connection therewith.

The City pledges for the payment of the principal of, premium, if any, and interest on the Bonds at any time outstanding, and grants an irrevocable and first lien for such purpose on Net Revenues and on all moneys on deposit in the Reserve Account; provided however, the first lien on Net Revenues is not exclusive if Parity Lien Obligations are issued.

This bond is issued pursuant to and in accordance with the Constitution of the State of Colorado and all other laws of the State of Colorado thereunto enabling. Specifically, but not by way of limitation, this Bond is issued pursuant to the Charter, Title 37, Article 45.1, C.R.S. and Title 11, Article 57, Part 2, C.R.S. Such recital shall conclusively impart full compliance with all provisions and limitations of such laws, and this Bond issued containing such recital shall be incontestable for any cause whatsoever after its delivery for value. This bond, including the interest hereon, is payable solely from and secured solely by the special funds provided in the Ordinance and shall not constitute a debt or an indebtedness of the City within the meaning of any constitutional or statutory limitation, nor shall this bond be considered or held to be a general obligation of the City.

THE ORDINANCE CONSTITUTES THE CONTRACT BETWEEN THE REGISTERED OWNER OF THIS BOND AND THE CITY. THIS BOND IS ONLY EVIDENCE OF SUCH CONTRACT AND, AS SUCH, IS SUBJECT IN ALL RESPECTS TO THE TERMS OF THE ORDINANCE, WHICH SUPERSEDES ANY INCONSISTENT STATEMENT IN THIS BOND.

The City agrees with the owner of this bond and with each and every person who may become the owner hereof, that it will keep and perform all the covenants and agreements contained in the Ordinance.

The Ordinance may be amended or supplemented from time to time with or without the consent of the registered owners of the Bonds as provided in the Ordinance.

It is hereby certified that all conditions, acts and things required by the Constitution, Charter and laws of the State of Colorado, and the ordinances of the City, to exist, to happen and to be performed, precedent to and in the issuance of this bond, exist, have happened and have been performed, and that the Bonds do not exceed any limitations prescribed by said Constitution, Charter or laws of the State of Colorado, or the ordinances of the City.

This bond shall not be entitled to any benefit under the Ordinance, or become valid or obligatory for any purpose, until the Paying Agent shall have signed the certificate of authentication hereon.

IN WITNESS WHEREOF, City of Montrose, Colorado, acting by and through its Sewer Utility Enterprise, has caused this bond to be signed in the name and on behalf of the City with the manual or facsimile signature of the Mayor, to be sealed with the seal of the City or a facsimile thereof and to be attested by the manual or facsimile signature of the City Clerk.

CITY OF MONTROSE, COLORADO

By [Manual or Facsimile Signature]________
Mayor

Attest:

By [Manual or Facsimile Signature]________
City Clerk

CERTIFICATE OF AUTHENTICATION

This is one of the Bonds described in the within mentioned Ordinance.

Date of Authentication: ______________________.

UMB Bank, n.a., as Paying Agent

By ____________________________________
Authorized Representative

[STATEMENT OF INSURANCE]

[*If the Sale Certificate provides for the purchase of a Bond Insurance Policy, the related Statement of Insurance required by the Commitment shall be set forth herein*.]

CERTIFICATE OF TRANSFER

FOR VALUE RECEIVED, ___________________________________, the undersigned, hereby sells, assigns and transfers unto ___________________________________ (Tax Identification or Social Security No. ______________) the within bond and all rights thereunder, and hereby irrevocably constitutes and appoints ___________________________________ attorney to transfer the within bond on the books kept for registration thereof, with full power of substitution in the premises.

Dated: ____________________________

____

NOTICE: The signature to this assignment must correspond with the name as it appears upon the face of the within bond in every particular, without alteration or enlargement or any change whatever.

Signature Guaranteed:

____

NOTICE: Signature must be guaranteed by a member firm of the New York Stock Exchange or a commercial bank or trust company.

Transfer Fee May Be Required

CONTRACT AWARD CONSIDERATION

TO: Honorable Mayor and Members of the City Council
FROM: Scott Murphy, *City Engineer*
DATE: November 25, 2025
RE: Rio Grande/East Oak Grove Roundabout and Phase I Rio Grande Extension Construction Contract Award
CC: William Bell, Shani Wittenberg, Jim Scheid

Action

Consider the approval of $3,927,970.59 in expenditures for construction of the Rio Grande/East Oak Grove Roundabout and Phase I Rio Grande Extension Construction Project. This includes the award of a construction contract to Earthworx Excavation in the amount of $3,696,370.59, a survey and engineering support contract to Del-Mont Consultants in the amount of $131,600, up to $45,000 in direct expenditures for site revegetation, and up to $55,000 in expenditures to Delta-Montrose Electric Association for the installation of street luminaires.

Background

Over the past several years, the City has been working near the intersection of Rio Grande Avenue and East Oak Grove Road in preparation for a new public works facility which is now under construction on a 17 acre site immediately south of the intersection. Work to date has included mass fill of the project area, relocation of conflicting irrigation facilities, relocation/extension of conflicting overhead power utilities (expected to be complete by the end of the year), relocation/extension of natural gas mainlines, and preliminary site construction.

As envisioned in the City's comprehensive plan, capital plans, and in support of the public works facility, the project discussed herein will construct a roundabout at the intersection of Rio Grande and East Oak Grove Roads and will complete the first phase of the Rio Grande Extension headed towards the south. This initial phase of the Rio Grande Extension will build the roadway out to its full minor-arterial roadway template; however, it will not connect through at this time. Future connection down to the River Landing Shopping Center is planned as part of separate, future projects.

An overview of the project is included as Figure 1.

Project Bidding and Associated Expenditures

Construction of the REOG Roundabout Project was put out for bid on October 30th and bids were publicly received on November 25, 2025 from seven contractors as summarized in Table 1 below. Bid totals presented include a 10 percent contingency.

TABLE 1
Summary of Bid Results

Contractor	Location	Bid Total
Earthworx Excavating	Montrose, CO	$3,696,370.59
Ridgway Valley Enterprises	Montrose, CO	$4,492,235.00
Able Excavation	Montrose, CO	$4,536,318.94
Williams Construction	Norwood, CO	$4,830,238.58
Mountain Valley Contracting	Grand Junction, CO	$5,068,844.28
Oldcastle SW Group (United)	Montrose, CO	$5,483,545.10
Young Construction	Montrose, CO	$5,673,558.00

Although the low bidder has never completed a project this large for the City, we do have positive experience working with the low bidder, Earthworx Excavating, on several City and private development projects. We also consider them qualified to perform the work and they carry positive references. As a result, it is recommended that the construction contract be awarded to Earthworx Excavating. It should be noted that the City's local preference policy or best-value rating system would not change the outcome of bidding in this case.

In addition to the award of a construction contract, we are also recommending approval of the following direct expenditures:

- Award of an engineering support and survey stakeout contract to the project surveyor, Del-Mont Consultants. This scope of work is budgeted at $131,000 on an as-needed, time-and-materials basis based on a proposal from the consultant.
- Up to $45,000 in direct expenditures for site revegetation following construction. Given the project's proximity to the river corridor and the overlap with landscaping work to take place as part of the public works facility project, the City wishes to contract for site revegetation directly in order to integrate efficiently into the public works schedule and better control quality within sensitive river areas.
- Up to $55,000 in expenditures to Delta-Montrose Electric Association for the installation of street luminaires.

A summary of these costs is included in Table 2 below.

TABLE 2
Summary of Project Costs

Work Element	Cost
Construction Contract (Earthworx Excavation)	$3,696,370.59
Survey and Engineering Support (Del-Mont Consultants)	$131,600.00
Site Revegetation (Contractor TBD)	$45,000
Street Luminaires (DMEA)	$55,000
TOTAL	**$3,927,970.59**

Project Schedule and Traffic Control

The REOG roundabout and Rio Grande extension project is unique that the majority of project construction can take place outside of the existing Rio Grande/Oak Grove Intersection. The project contract is written to limit the closure of Rio Grande/Oak Grove to the extent possible and for no more than 45 calendar days throughout the duration of the project. Based on the contractor's preliminary schedule, it is expected that the intersection will be closed for several multi-day closures in January and February as necessary to install some preliminary utility crossings. The majority of work will then shift outside of the existing roadway until June when a more prolonged closure is planned for final project tie-ins. Access to local residences and businesses immediately adjacent to the project area will be maintained throughout the project.

The project is expected to be complete by late summer.

Contract Administration and Project Financials

Contract administration, project management, and inspection will be performed by the City of Montrose engineering department with support from the design engineer as needed.

Within the 2026 proposed budget, a total of $5.55M is allocated for this project out of the City's capital improvement ($5.0M), water capital ($350k), and sewer capital ($200k) funds. This places the project approximately $1.6M under the total budget. This is primarily a product of an aggressive outlier bid, potentially improving market conditions, and a reduction in the project scope since the time initial budgets were established.

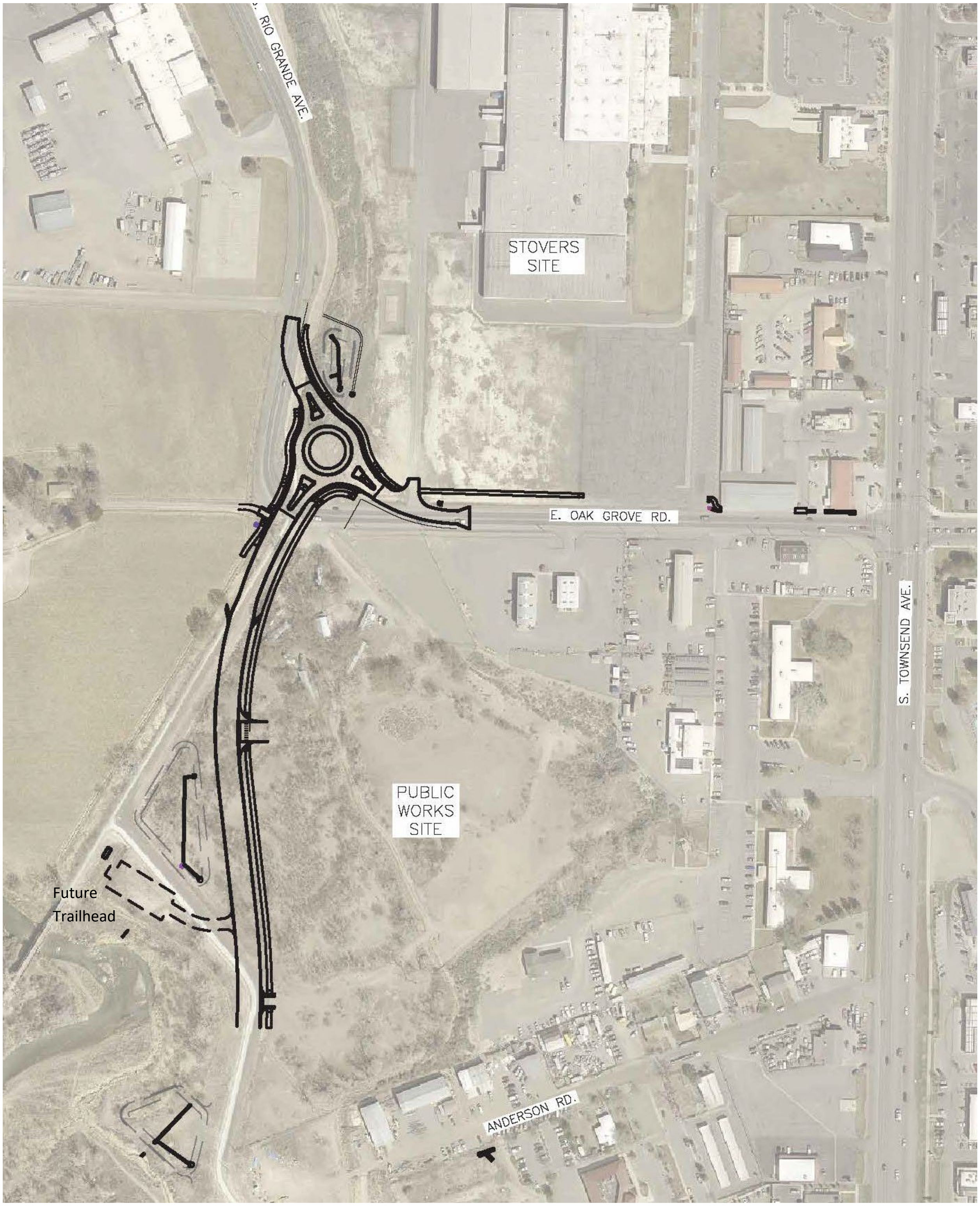


Figure 1: Project Overview Drawing

CITY OF MONTROSE
Planning Services

MEMO

TO: City Council
FROM: William Reis, Senior Planner
DATE: January 6, 2026
RE: City of Montrose 2026 Annual Annexation Report and 3-Mile Plan

ATTACHMENTS:
- Exhibit A: Maps

City Council Consideration:
Review the City of Montrose 2026 Annual Annexation Report and 3-Mile Plan, as stipulated by Colorado State Statutes. Consider making a motion to approve the 2026 Annual Annexation Report and 3-Mile Plan.

Background:
Please find attached the City of Montrose 2026 Annual Plan of Annexation and 3-Mile Plan, as stipulated by Colorado State Statutes. The Plan contains verbal policies and maps to illustrate annexation priorities, eligible enclave annexations, existing city limits, growth areas, and transportation routes. The Plan will fulfill the statutory requirement to have a “plan in place” to annex new properties in 2026.

Schedule:

January 5, 2026	City Council Work Session
January 6, 2026	City Council Presentation
January 28, 2026	Planning Commission Presentation

CITY OF MONTROSE
2026
ANNUAL ANNEXATION PLAN AND REPORT &
THREE-MILE PLAN

Nature of Plan

This plan generally describes the proposed land uses, location, character, and extent of utility and street infrastructure and service to within 3 miles of the City of Montrose, herein referred to as "City," as required by CRS §31-12-105(1)(e).

The City of Montrose Envision 2040 Comprehensive Plan, as adopted in June 2021, shall be incorporated into this Plan. Master Plans of federal agencies or the County of Montrose, and Montrose County Airport for any public lands under their jurisdiction within the boundaries of the attached 3 Mile Plan map of the City of Montrose shall also be referenced as part of the City of Montrose 3 Mile Plan, except to the extent where inconsistent with City ordinances, regulations, and components in this plan. See Exhibit A.

Annexation Policy

In general, the City of Montrose will annex from the center of the City out into the Growth Areas within the Growth Boundary and 3 Mile Plan. The City will consider areas and properties as requested by property owners for annexation. Qualified enclaves, City owned property, areas expected to develop as urban with City influence, and areas with City utilities or capacity to serve, will also be considered.

Priority for Annexation in 2026

As a matter of establishing priority for annexation in the year 2026, the City shall consider annexation of the following properties subject to the statutory limitations as provided above, and areas that can meet statutory eligibility requirements as set forth in CRS §31-12-104 and CRS §31-12-105.

(1) **Private land owner request.** For private parties meeting the statutory requirements.

(2) **Properties served adequately and properly by City utilities.**

(3) **Highway Corridor properties** south on Highway 550, north on Highway 50, east on Highway 50, and west on Highway 90 where it is feasible to serve such

properties with existing infrastructure or where adequate infrastructure could generally be extended to serve such areas.

(4) **Existing enclaves** as identified in red on the attached Exhibit B.

(5) **Growth Areas,** as identified on Exhibit C.

City Utility Infrastructure

Annexations shall be subject to existing City policy, as may be amended, and the City Comprehensive Plan. The extension of City utilities and services to such properties shall be in accordance with the Official Code of the City of Montrose, Chapter 3-5 and Chapter 11-4.

Additionally, potable water service shall be in accordance with the Water Service Area Agreements as executed between the City and the Tri County Water Conservancy District, the City and the Menoken Water District, and the City and the Chipeta Water District. The respective service areas are delineated in the attached Exhibit D.

The extension of sewer service shall also be in accordance with the 201 Plan and the 208 Area Waste Management Plan ("Waste Water Service and Treatment Agreement") as executed by the City, the County of Montrose, and the West Montrose Sanitation District, as amended from time to time.

The City regularly plans for and implements the upsizing and improvement of existing sewer and water lines. The majority of sewer and water line extensions are precipitated by growth through residential, commercial, and industrial subdivision.

The City's current and planned utilities infrastructure is discussed in the 2021 City of Montrose Comprehensive Plan (Chapter 10).

Road Infrastructure

Major Highways within the City of Montrose are: Highway 50 to the north and east, Highway 90 to the west and Highway 550 to the south. The City shall generally adhere to its Transportation Plan as included within the City Comprehensive Plan. Current and proposed roads and streets are shown in the City of Montrose Comprehensive Plan (Chapter 6), and in the County's road and bridge map and plan (Exhibit E).

Parks, Trails, and Open Space

"Encourage and facilitate a variety of public parks, trails, and recreation opportunities in strategic locations", a guiding principle of the City of Montrose Comprehensive Plan (Chapter 8), acts as a guide to the development of a linked, cohesive park and open space system. The Parks Master Plan (Exhibit F) illustrates the locations of regional, community and neighborhood parks currently existing in the City of Montrose, and the conceptual areas where future parks are needed to address current deficits and meet projected needs over the next 10 to 20 years.

The map titled, "Recreation Trail Alignments," (Exhibit G) shows existing and proposed recreation trails throughout the City.

City and Public Utilities

(1) Electrical Power – Delta Montrose Electric Association

(2) Telephone and Internet Access – Spectrum, Elevate Fiber, and other services

(3) Natural Gas – Black Hills Energy available in the City, and in the fringe areas of the City

(4) Cable Television and Internet Access – Spectrum, DMEA, Elevate Fiber, and others

(5) Sewer – Available in and near the City, by the City of Montrose. Available in the West Montrose Sanitation District. City sewer is extended as per City Ordinances. The City's 201 and Region's 208 Plan are hereby incorporated by reference.

(6) Trash Collection – City trash service and recycling services are provided within the City to Sanitation customers. Private trash collection services operate both outside and within the City. The Montrose Area Landfill and other recycling facilities are privately operated.

(7) Water Service – Potable water service within the 3 Mile Area is provided by the City of Montrose, Tri-County Water Conservancy District, Menoken Water District and the Chipeta Water District within their respective service areas as provided by the agreements between the parties.

(8) Transportation Service – No transportation services are provided by the City of Montrose, other than streets, sidewalks, and multi-use trails. All Points Transit currently provides public transportation services.

General Provisions

(1) To the extent that any item mentioned in CRS §31-12-105(1)(e) is not reflected in the documents, maps and plans included as a part of this plan, this plan should be construed to mean that these types of facilities are not provided.

(2) Proposed land uses are residential and agricultural, except as otherwise shown or provided by City zoning, land use plan, or the Comprehensive Plan.

<u>Annexations in Past Three Years</u>

2023 Additions

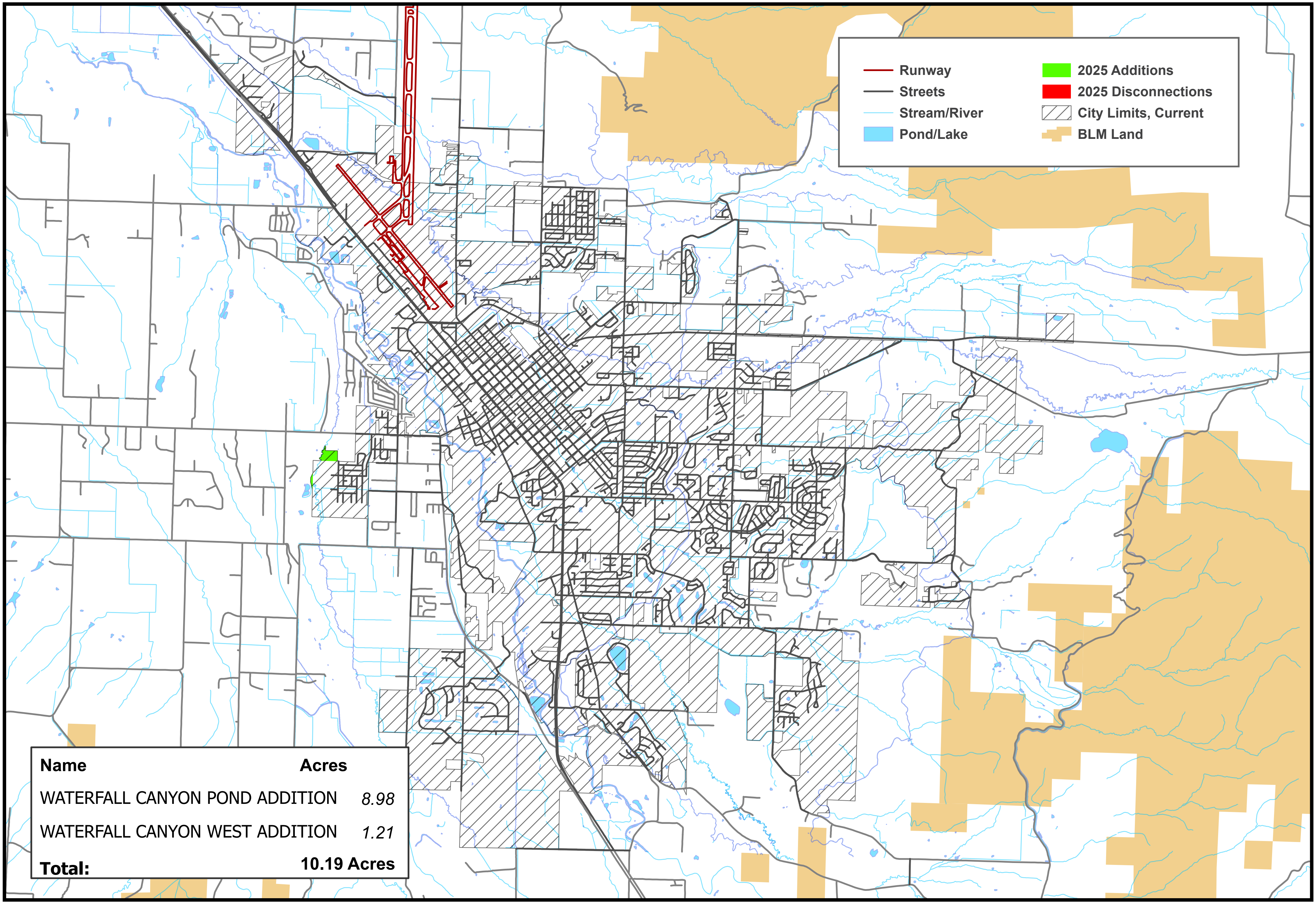
Name	**Acres**
Fulks Disconnection	-25.82
Klein Addition	1.00
Blowers Disconnection	-0.43
Sunset Village Addition	10.01
Dry Cedar Creek II Addition	5.06
Osprey Addition	9.53
Bluff Harbor Lot Addition	0.72
TOTAL	**0.07**

2024 Additions

Name	**Acres**
Blowers Addition	12.94
Public Works Shop Addition	23.3
Rio Grande Right of Way Addition	1.14
Leonard Farm Addition	71.22
TOTAL	**108.6**

2025 Additions

Name	**Acres**
Waterfall Canyon Pond Addition	8.98
Waterfall Canyon West Addition	1.21
TOTAL	**10.19**



Name	Acres
WATERFALL CANYON POND ADDITION	*8.98*
WATERFALL CANYON WEST ADDITION	*1.21*
Total:	**10.19 Acres**

City of Montrose 2025 Annexations

Scale: 1:70,000

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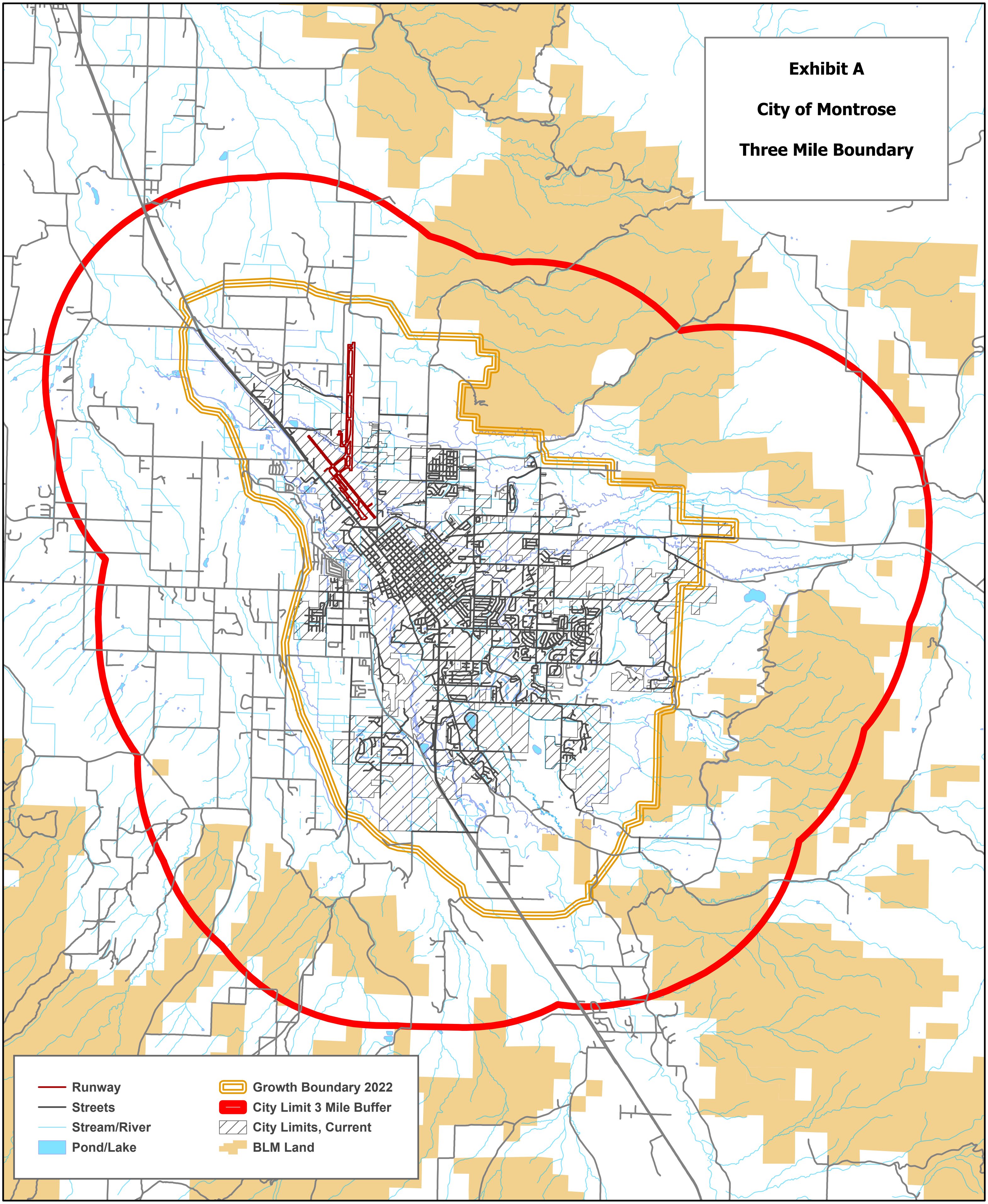

Exhibit A City of Montrose 3 Mile Boundary Map

Scale: 1:118,000

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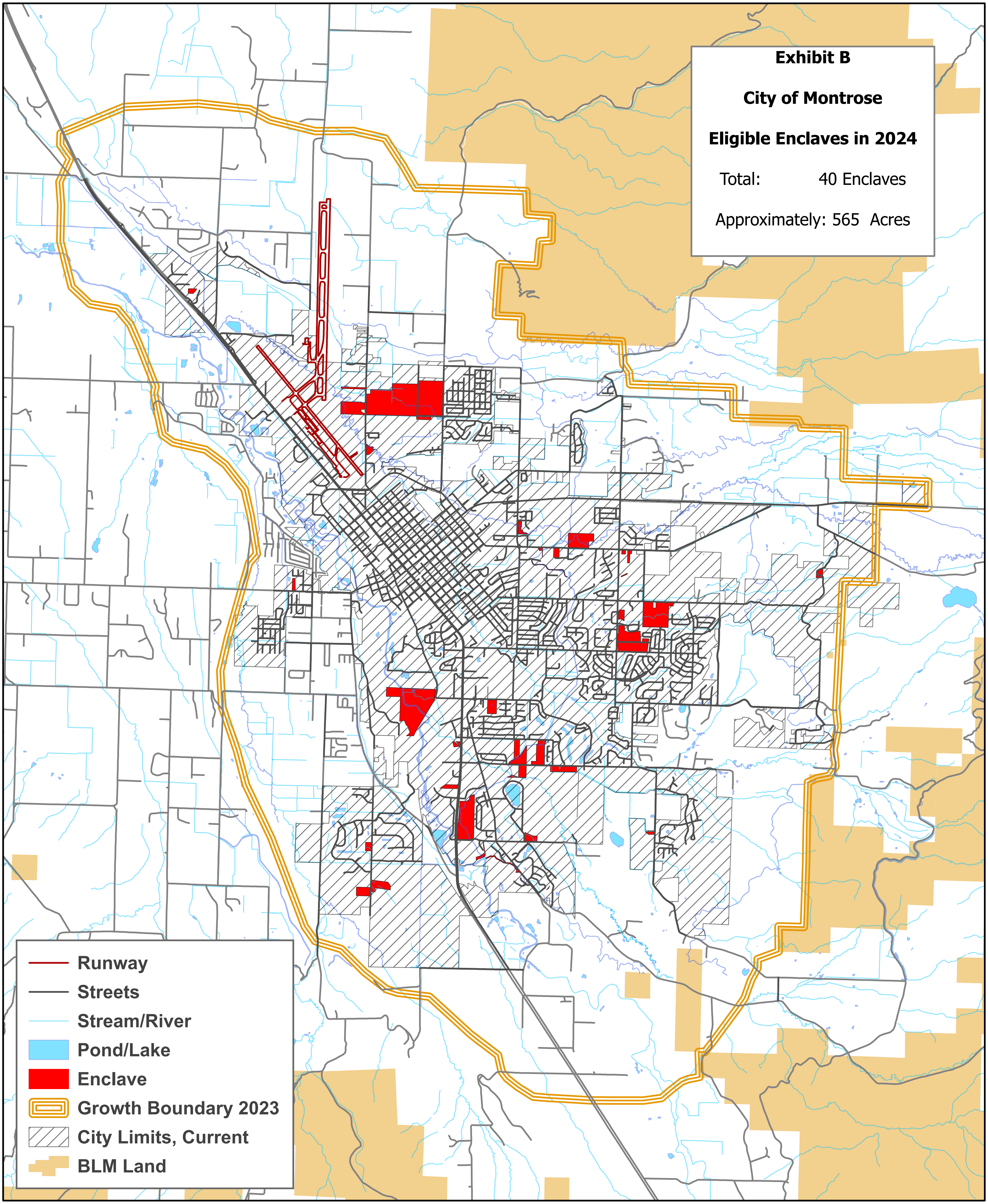

Exhibit B City of Montrose 2025 Eligible Enclaves

Scale: 1:75,000

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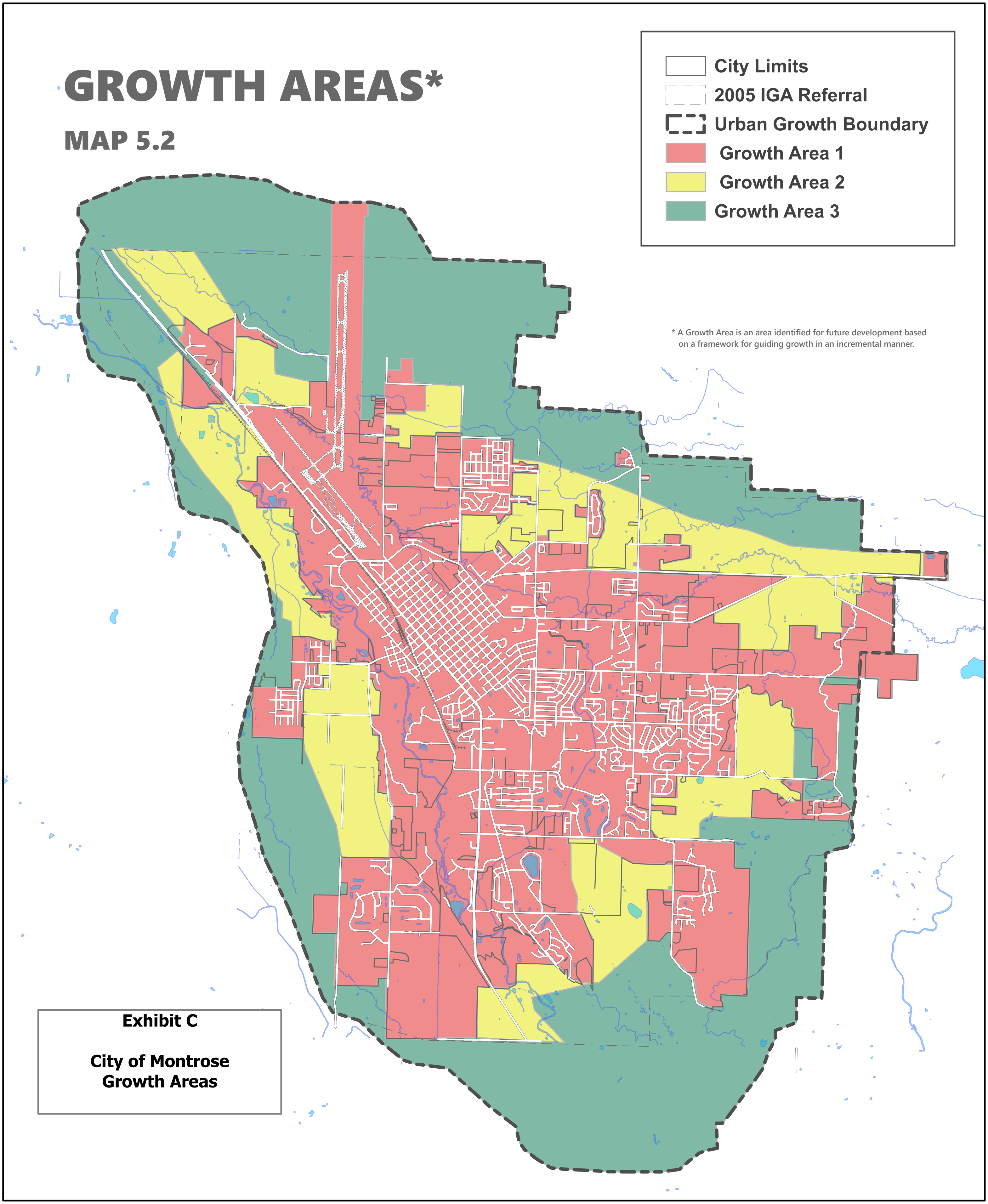
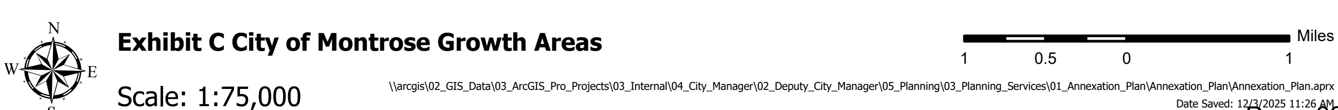


Exhibit C City of Montrose Growth Areas

Scale: 1:75,000



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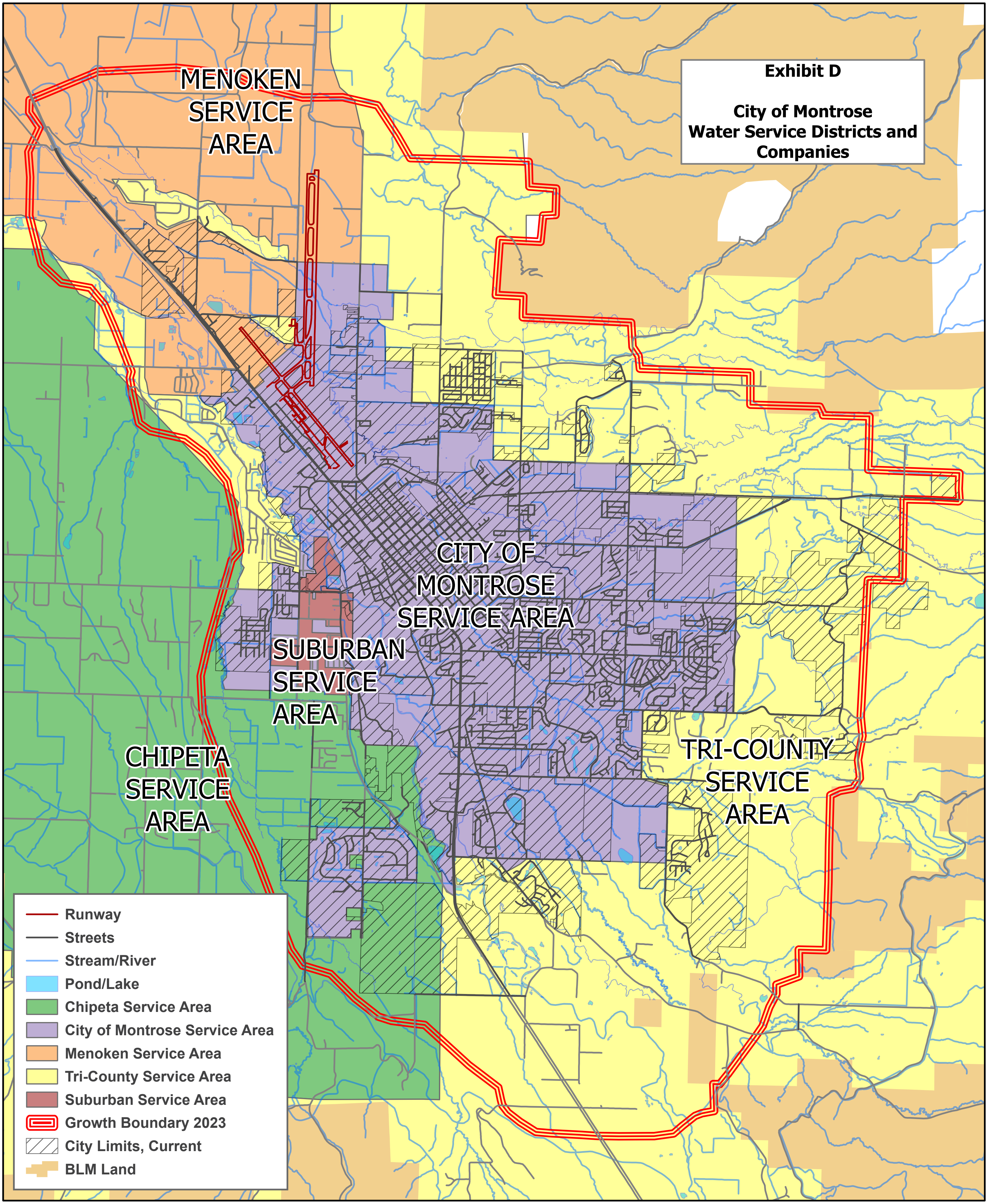

Exhibit D City of Montrose Water Districts and Water Companies

Scale: 1:70,000

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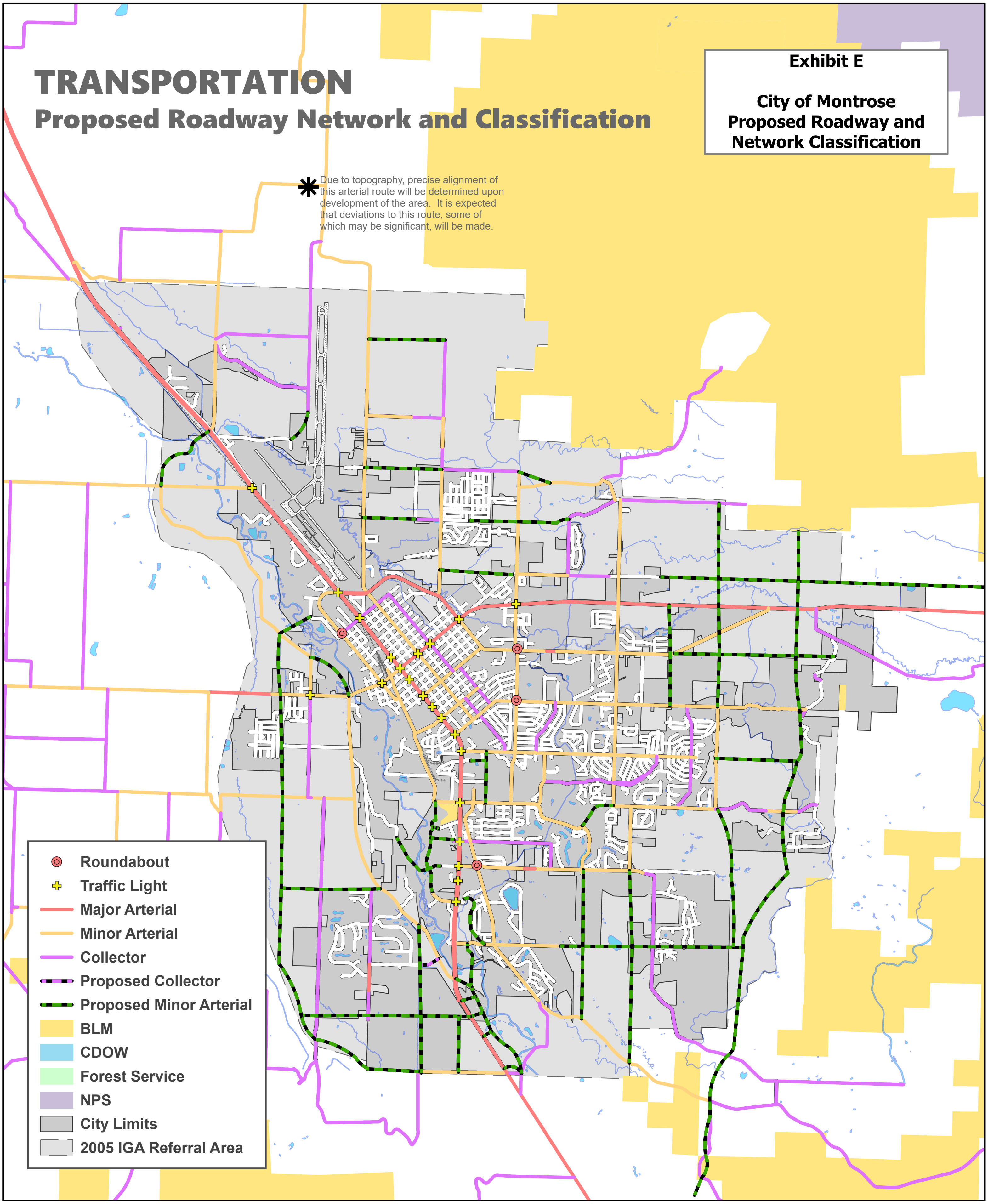

Exhibit E City of Montrose Proposed Roadway and Network Classification

Scale: 1:75,000

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PARKS MASTER PLAN

MAP 8.1

Exhibit F

City of Montrose
Parks Master Plan

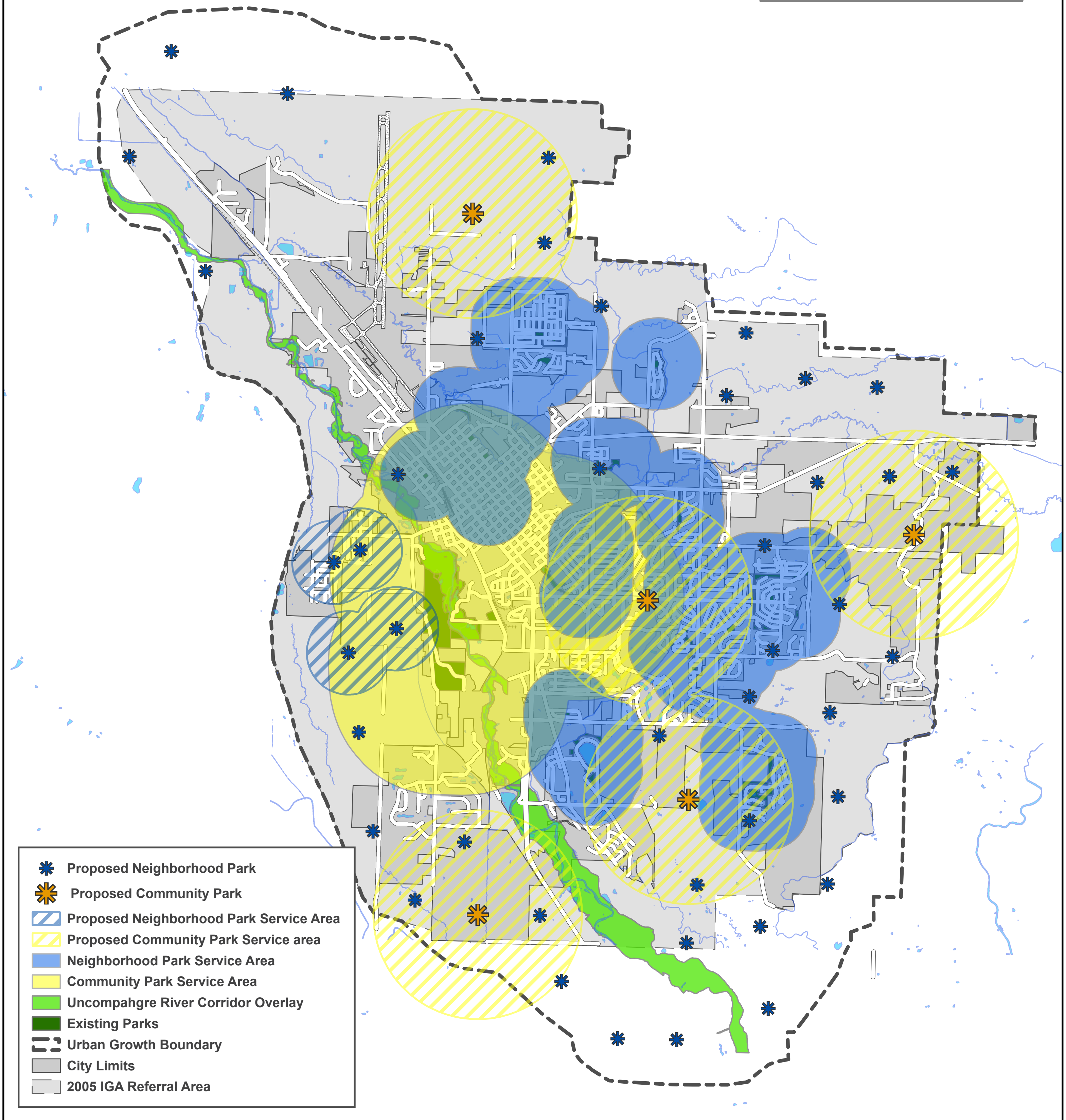

Exhibit F City of Montrose Parks

Scale: 1:75,000

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RECREATION TRAIL ALIGNMENTS

MAP 1.1

Exhibit G

City of Montrose
Recreation Trail Alignments

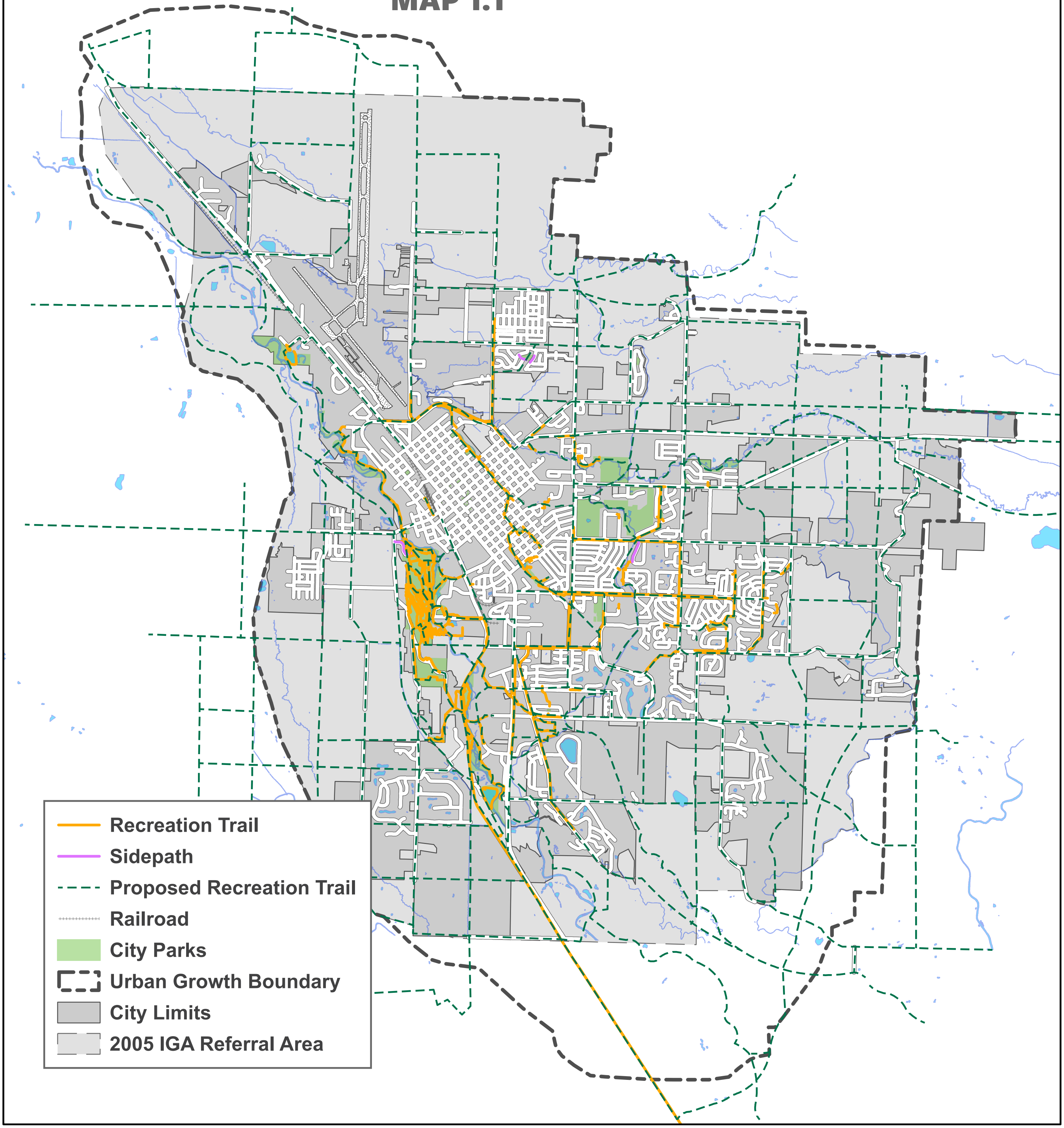

Exhibit G Recreation Trail Alignments

Scale: 1:75,000

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CITY OF MONTROSE
Planning Services

MEMO

TO: City Council
FROM: William Reis, Senior Planner
DATE: January 6, 2026
RE: Haynes Addition Annexation
ATTACHMENTS:

- Exhibit A: Maps
- Exhibit B: Zoning Code Excerpt

City Council Consideration:
City Council is considering the annexation and the initial zoning for the Haynes Addition, a proposed annexation to the city limits of Montrose. City Council will consider all of the information in this memo in making a decision.

Proposed schedule:

October 6:	Council Work Session Overview
October 21:	Council Resolution to set a hearing date
October 22:	Planning Commission zoning hearing
December 2:	City Council Annexation hearing, 1st reading of annexation ordinance, and 1st reading of zoning ordinance
January 6:	2nd reading of annexation and zoning ordinances

Application Background:
The Haynes Addition is a proposed annexation approximately 0.59 acres in size. The annexation consists of a portion of property located at 12736 6450 Rd, as a result of a boundary line adjustment with a neighboring property, as well as a portion of right-of-way. It is within the City's Urban Growth Boundary, City of Montrose Sewer Service Area, and City of Montrose Water Service Area. An Annexation Agreement is required.

Proposed Zoning: "R-6" Medium Density/Manufactured Housing District

Applicant: Brian Haynes

Staff Analysis:

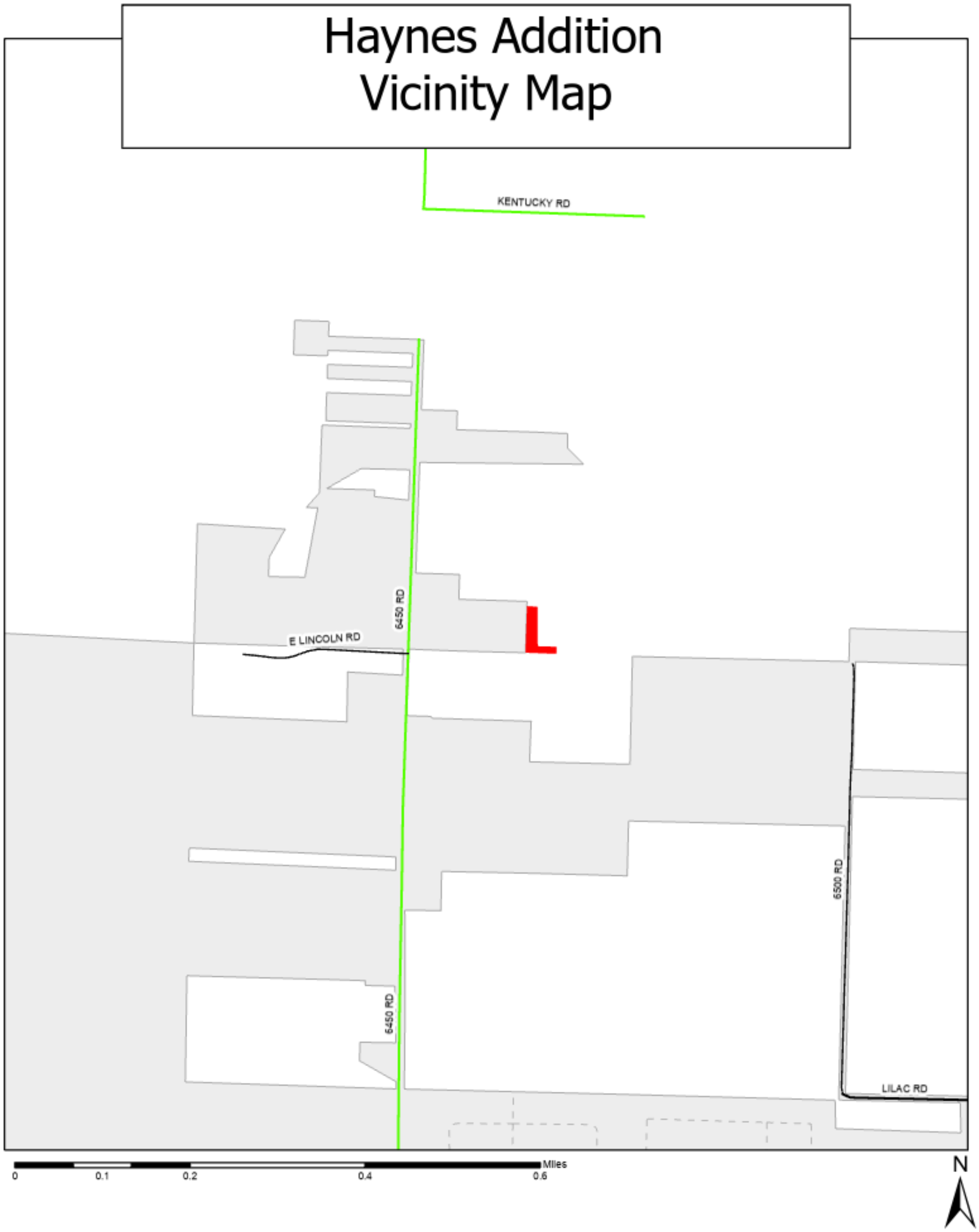
1. The City-County IGA gives the City the option to annex properties within the IGA. The area is urbanizing and more than 1/6 of the perimeter is contiguous to the city limits. These factors support annexation.
2. An annexation agreement is required as a condition of this annexation.
3. Zoning Regulations
    a. Municipal Code, Section, 11-7-12 (B), Zoning of Additions. “The zoning of additions for all property annexed to the City not previously subject to City zoning may be requested or initiated by the City Manager or the owner of any legal interest in the property or such owner’s representative. Proceedings concerning the zoning of property to be annexed may commence at any time prior to the effective date of the annexation ordinance, or thereafter as allowed by law. The Planning Commission shall either recommend approval or denial of the requested zoning to the City Council, which can either ratify the Planning Commission’s decision, or reverse it. The zoning of additions shall be subject to the review procedures of Chapter 11-4 and standards of Section 11-7-4 of this Title, and shall be allowed only upon findings as follows:
        i. The amendment is not averse to the public health, safety and welfare; and
        ii. The amendment is in substantial conformity with the Comprehensive Plan, or such zoning is compatible with conditions in the area, which have changed materially since the Comprehensive Plan was last updated.”

    b. Municipal Code, Section 11-7-5: The "R-6" Medium Density/Manufactured Housing District is intended to provide primarily for medium-density development for single-household attached, triplex and fourplex manufactured home dwellings, along with certain other compatible land uses.
    c. The proposed zoning is compatible with existing zoning and general conditions in the area. The property is adjacent to properties that are zoned “R-6” Medium Density/Manufactured Housing District and properties outside of City limits.
4. The Comprehensive Plan Future Land Use Map designates the area of the Haynes Addition as Residential Mixed Density Medium. The Residential Mixed Density Medium District provides for a variety of residential types, mixed within a neighborhood, including single-family homes, townhomes, duplexes and triplexes. The majority of the mixed-density medium residential land uses are designated in areas that are not yet developed.
5. The property is located within Growth Area 2. According to the Comprehensive Plan, Growth Area 2 has some level of, or moderate proximity to, existing infrastructure.

6. The “R-6” zoning does not appear to be averse to the public health, safety and welfare. The Planning Commission made a unanimous recommendation of approval of the “R-6” zoning designation during the October 22, 2025 Planning Commission meeting.

Staff Recommendation:
Staff finds that the initial zoning request is in compliance with the Comprehensive Plan; it is compatible with existing uses in the surrounding area; and therefore, recommends approval of the annexation and the "R-6" Medium Density/Manufactured Housing District.

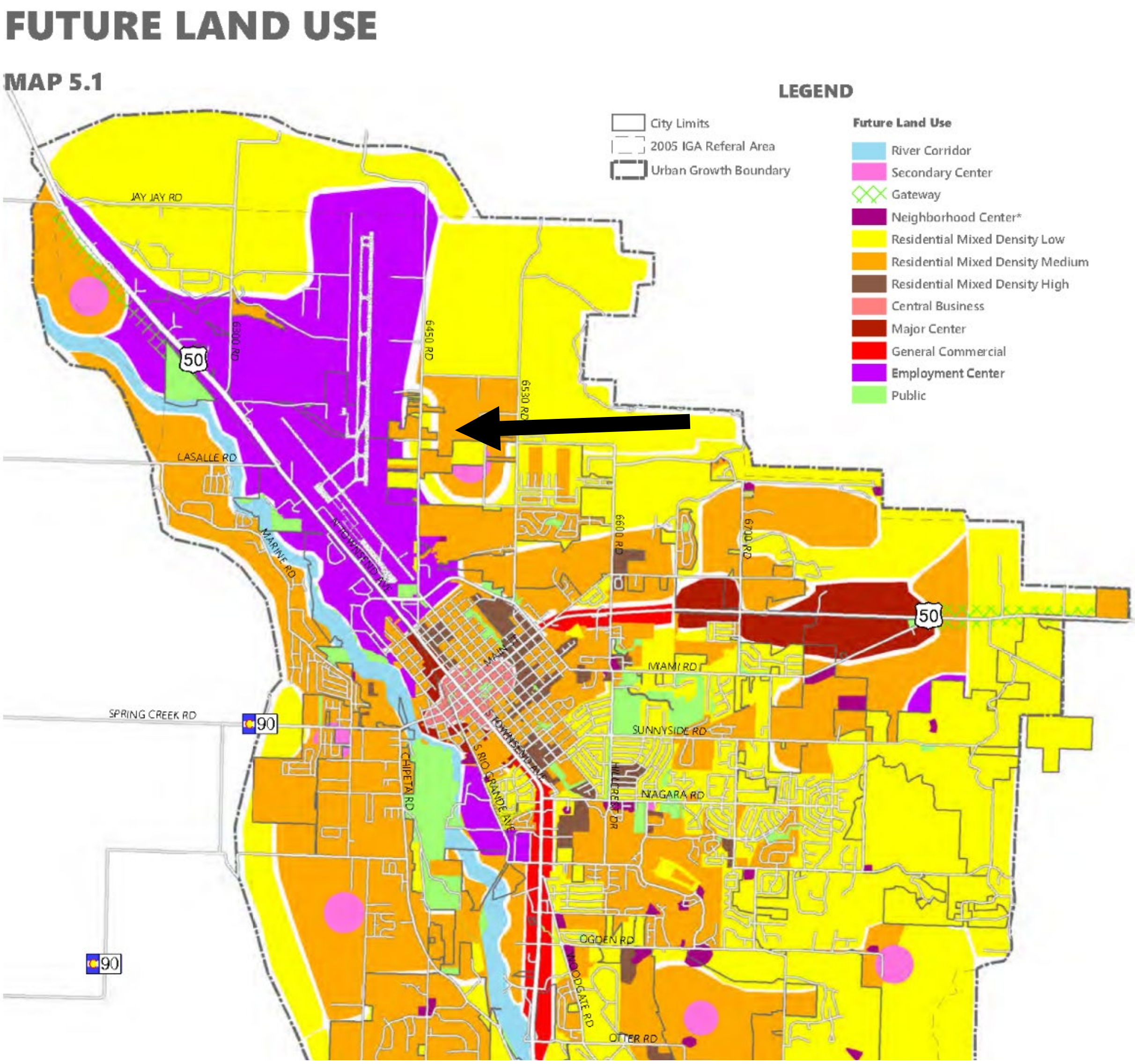
EXHIBIT A: Maps

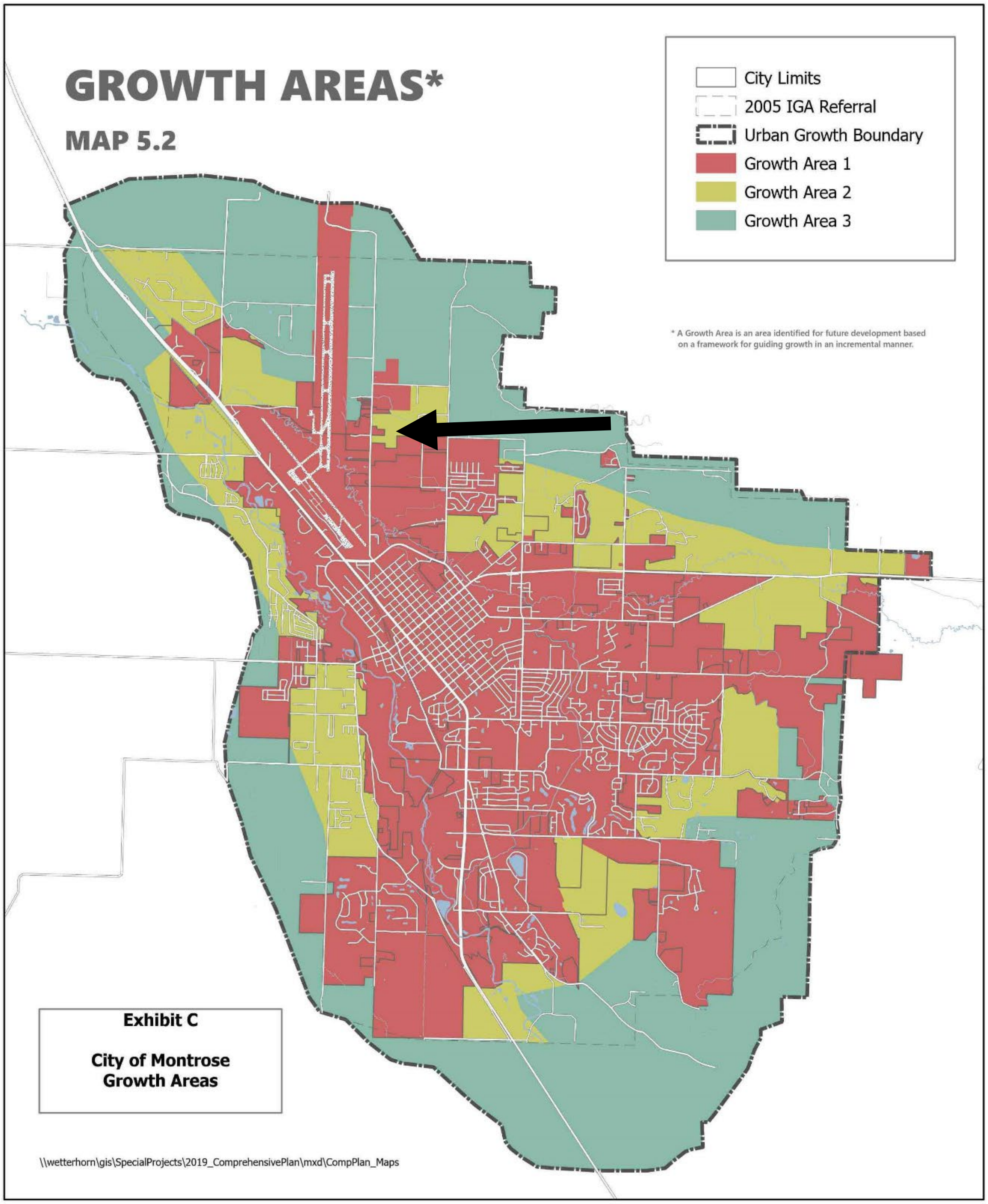


Haynes Addition
Proposed Zoning: "R-6" Medium Density/ Manufactured Housing District

Stay here. Play everywhere.
MONTROSE COLORADO

Comprehensive Plan Future Land Use Map



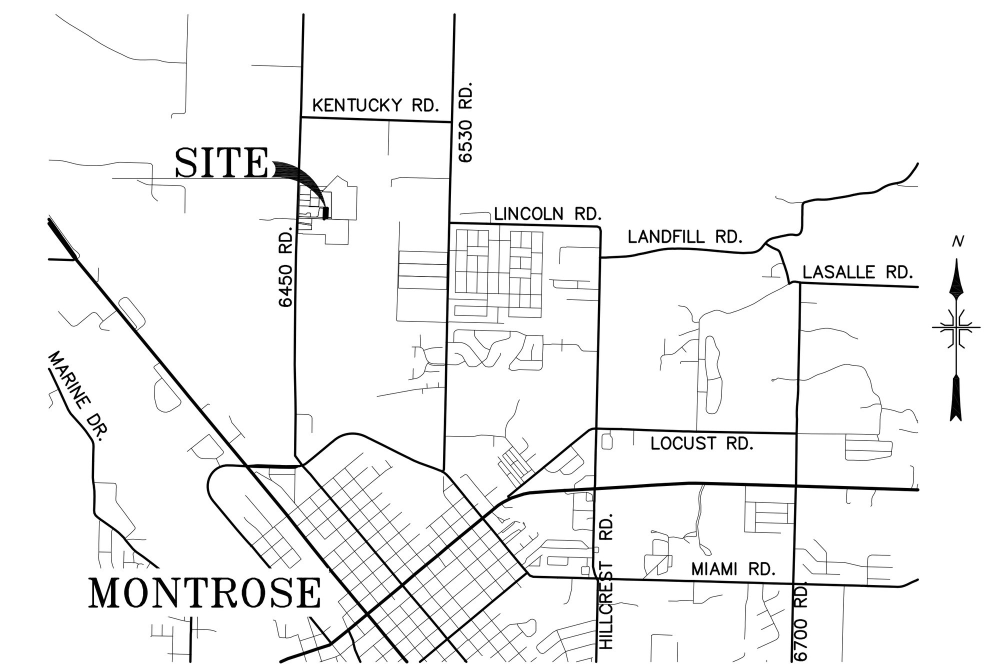


Stay here. Play everywhere.
MONTROSE COLORADO

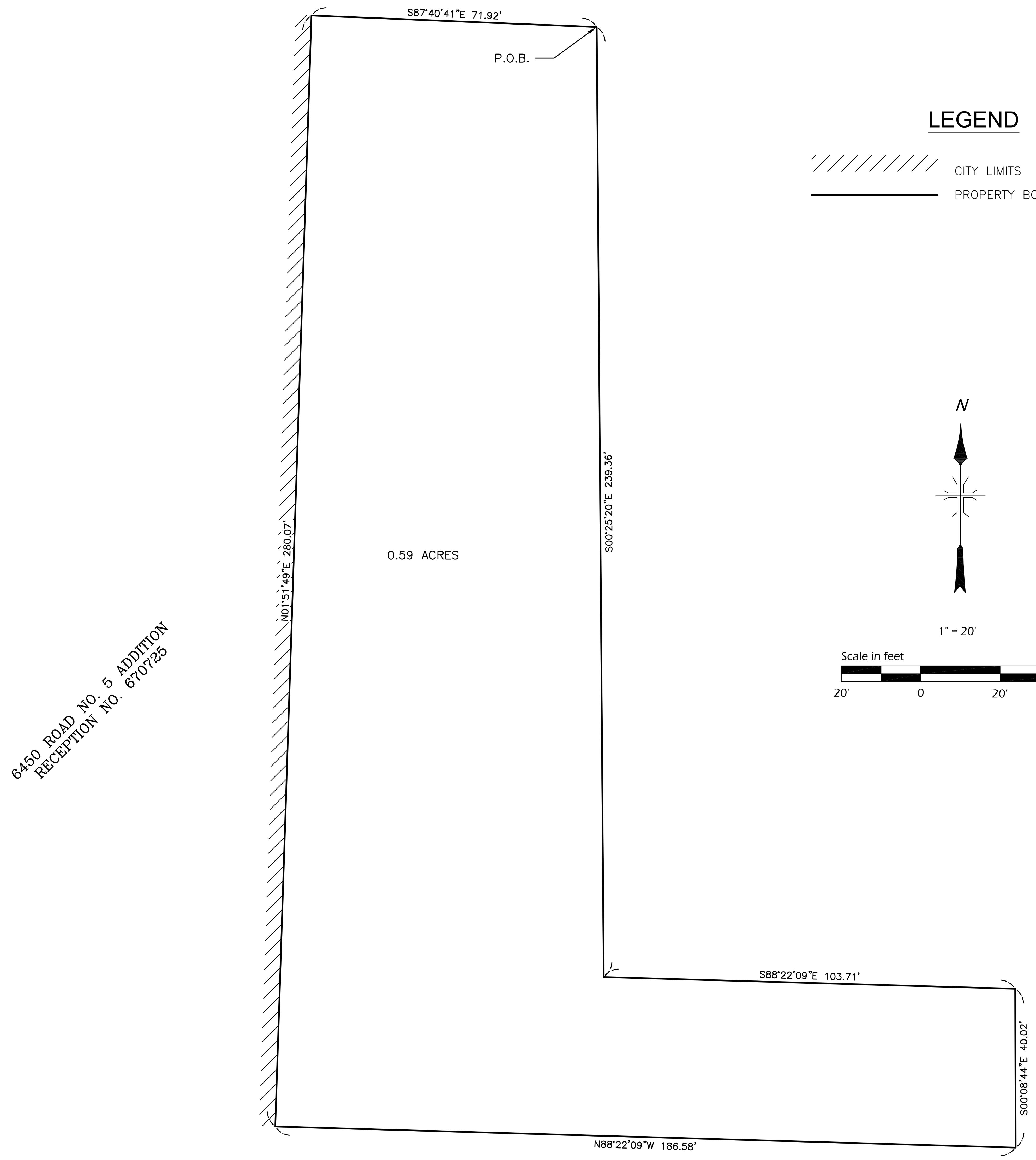
HAYNES ADDITION

SITUATED IN NW1/4SE1/4 SECTION 16, TOWNSHIP 49 NORTH, RANGE 9 WEST, NEW MEXICO PRINCIPAL MERIDIAN

COUNTY OF MONTROSE, STATE OF COLORADO



VICINITY MAP
N.T.S.



LEGEND

CITY LIMITS

PROPERTY BOUNDARY/LIMITS OF ANNEXATION

N

1" = 20'

Scale in feet

20' 0 20' 40'

CITY LIMITS

TOTAL PERIMETER = 921.66'

PERIMETER CONTIGUOUS TO CITY LIMITS = 280.07'

NOTE: THIS PLAT DOES NOT CONSTITUTE A BOUNDARY SURVEY. IT IS A COMPILATION OF EXISTING RECORDS FOR THE PURPOSE OF ANNEXATION.

PROPERTY DESCRIPTION

A TRACT OF LAND SITUATED IN THE NW¼SE¼ SECTION 18, TOWNSHIP 49 NORTH, RANGE 9 WEST, NEW MEXICO PRINCIPAL MERIDIAN, MORE PARTICULARLY DESCRIBED AS FOLLOWS:

BEGINNING AT THE NORTHEAST CORNER OF LOT 2R ROBERT & BARBARA HAYNES REPLAT RECORDED AT RECEPTION NO._________, MONTROSE COUNTY RECORDS; THENCE SOUTH 00°25'20" EAST, 239.36 FEET ALONG THE EAST LINE OF SAID LOT 2R TO THE SOUTHEAST CORNER OF SAID LOT 2R AND A POINT OF THE NORTH LINE OF THE LINCOLN ROAD ROW RECORDED AT RECEPTION NO. 908645, MONTROSE COUNTY RECORDS; THENCE SOUTH 88°22'09" EAST, 103.71 FEET ALONG NORTH LINE OF SAID LINCOLN ROAD ROW; THENCE SOUTH 00°08'44" EAST, 40.02 FEET ALONG THE EAST LINE OF SAID LINCOLN ROAD ROW; THENCE NORTH 88°22''09" WEST, 186.58 FEET ALONG THE SOUTH LINE OF SAID LINCOLN ROAD ROW TO THE EAST LINE OF 6450 ROAD NO. 5 ADDITION RECEPTION NO. 670725, THENCE ALONG SAID EAST LINE NORTH 01°51'49" EAST, 280.07 FEET TO A POINT ON THE NORTH LINE OF SAID LOT 2R; THENCE SOUTH 87°40'41" EAST, 71.92 FEET TO THE POINT OF BEGINNING.

SURVEYOR'S CERTIFICATE

I, Frederick A. Ballard, a Registered Land Surveyor in the State of Colorado, do hereby certify that the survey represented by this plat was made under my responsible charge and that this plat accurately reflects said survey.

FOR REVIEW

Frederick A. Ballard, PLS37690

MAYOR'S CERTIFICATE

This is to certify that the City of Montrose, a municipal corporation in the County of Montrose, State of Colorado has by its Ordinance No. ________________ adopted on the ______day of________________, 2025, annexed the property hereon to the City of Montrose.

____
Mayor

Attest:______________________________
City Clerk

RECORDER'S CERTIFICATE

This plat was filed for record in the office of the Clerk and Recorder of Montrose County at _______________m.

on the__________ day of __________________, 2025 under Reception No. _________________.

______________________________, by ______________________________
Clerk and Recorder Deputy

NOTICE: According to Colorado Law (13-80-105, CRS) you must commence any legal action based upon any defect in this survey within three (3) years after you first discover such defect. In no event may any action based upon any defect in this survey be commenced more than ten (10) years from the date of the certification shown hereon.

DEL-MONT CONSULTANTS, INC.
ENGINEERING ▼ SURVEYING
125 Colorado Ave. ▼ Montrose, CO 81401 ▼ (970) 249-2251 ▼ (970) 249-2342 FAX
www.del-mont.com ▼ service@del-mont.com

FIELD BOOK:	DRAWN BY: ELB	DATE: 2-27-2025	
SHEET: 1 of 1	FILE: 25010V_ANNEX	JOB NO.: 25010	TYPE: ANNEX

TITLE: HAYNES ADDITION

CLIENT: HAYNES PROPERTIES LLC

ADDRESS & PHONE: 12696 6450 ROAD MONTROSE, CO 81401

EXHIBIT B: Zoning Code Excerpt

Sec. 11-7-6. District uses.

(A) *Permitted uses*. Those uses designated as permitted uses on the schedule of uses in Subsections 11-7-6(G) and 11-7-6(H) are allowed as a matter of right subject to approval of a site development plan per Section 11-8-1 of this Title.

(B) *Conditional uses*. Uses listed as conditional uses on the schedule of uses in Subsections 11-7-6(G) and 11-7-6(H) shall be allowed only if the Planning Commission determines, following review pursuant to Chapter 11-4 of this Title, that the following criteria are substantially met with respect to the type of use and its dimensions:

(1) The use will not be contrary to the public health, safety, or welfare.

(2) The use is not materially adverse to the City's Comprehensive Plan.

(3) Streets, pedestrian facilities, and bikeways in the area are adequate to handle traffic generated by the use with safety and convenience.

(4) The use is compatible with existing uses in the area and other allowed uses in the district.

(5) The use will not have an adverse effect upon other property values.

(6) Adequate off-street parking will be provided for the use.

(7) The location of curb cuts and access to the premises will not create traffic hazards.

(8) The use will not generate light, noise, odor, vibration, or other effects which would unreasonably interfere with the reasonable enjoyment of adjacent property.

(9) Landscaping of the grounds and the architecture of any buildings will be reasonably compatible with that existing in the neighborhood.

(C) *Principal uses*. The primary use of a lot is referred to as a principal use which may be a land use or a structure. Only one principal use per lot is allowed except where a mix of residential and nonresidential uses may be permitted in a specified zone district.

(D) *Accessory uses*. Accessory uses shall comply with all requirements for the principal use, except where specifically modified by this Chapter, and shall also comply with the following limitations:

(1) An accessory use shall be clearly incidental, customary to and commonly associated with the operation of the permitted use.

(2) An accessory use shall be operated and maintained under the same ownership as the permitted use.

(3) An accessory use shall be located on the same lot as a principal use.

(E) *Temporary Use Permits.*

(1) The City Manager or his designee may issue a permit authorizing a temporary use of premises in a district for a use which is otherwise not allowed in such a district for a period of up to one year in accordance with this Subsection.

(2) The temporary use permit may be issued by the City Manager only after it determines that unusual circumstances exist, not created by the applicant, such as damage, destruction or delay in construction

of applicant's permanent premises, which results in significant hardship, and that the temporary use will not unreasonably interfere with the use of other property, or result in any permanent adverse effects to other property, or create a safety or health hazard.

(3) The City Manager or his designee shall hold such hearings concerning the application and provide such notice thereof as the circumstances merit in his opinion. The permit may be granted subject to conditions appropriate to ensure compliance with this Subsection.

(4) *Temporary Construction or Sales Office.* A building within a subdivision may be utilized as a temporary construction or sales office for a period up to one year by the developer of that subdivision during the period of the construction and initial sales respectively of the building and improvements within the area encompassed by the preliminary plat for each subdivision. The City Manager may authorize additional one-year periods for use as a construction office if construction is continuing in the area after the preceding year, or as a sales office if not all of the houses in the area have been sold during the year preceding.

(F) *Uses Not Listed.*

(1) Uses not listed in a zone district are prohibited except that such uses may be approved by the City Manager provided such uses are found to be similar to a permitted use.

(2) Any person aggrieved by a decision of the City Manager pursuant to this Subsection may appeal that decision to the City Council under the following procedure:

(a) The appeal must be made in writing and filed within 30 days of the decision being appealed.

(b) The City Council shall consider he appeal at a public hearing held within 30 days of receipt of the written appeal, notice of which shall be given to the appellant by US mail at least 15 days prior to the hearing.

(c) The City Council shall approve or deny the appeal.

(d) The decision of the City Council shall be the final decision of the City on the matter, appealable only to the district court.

(G) *Schedule of Residential Zone District Uses.*

Land Use	RL	R-1	R-1A/B	R-2	R-3	R-3A	R-4	R-5	R-6	MHR
Bed and breakfast (See Sec. 11-11-1)					C		C		C	
Farms and ranches, excluding commercial greenhouses, and commercial feedlots, fur farms, fish farms, poultry houses, hog farms, dairies and similar operations with a high density of animals.	P									

Rental storage units with a maximum rental unit size of 200 square feet.										C
Short-term rentals	P	P	P	P	P	P	P	P	P	P
Assisted living facilities					C	C	C		C	C
Childcare facilities	C	C	C	C	C	C	C	C	C	C
Family childcare home	P	P	P	P	P	P	P	P	P	P
Government buildings and facilities	P	P	P	P	P	P	P	P	P	P
Religious assembly	C	C	C	C	P	P	P	C	C	P
Schools	C	C	C	C	C	C	C	C	C	C
Golf courses	P									
Parks, open space and recreation facilities	P	P	P	P		P	P	P	P	P
Duplex					P	P	P		P	
Group homes—handicapped/disabled 8 persons or less (see Sec. 11-11-2)	P	P	P	P	P	P	P	P	P	P
Group homes—handicapped/disabled > 9 persons (see Sec. 11-11-2)	C	C	C	C	C	C	C	C	C	C
Group homes, other (see Sec. 11-11-2)	C	C	C	C	C	C	C	C	C	C
Home occupation (See Sec. 11-11-3)	A	A	A	A	A	A	A	A	A	A
Manufactured housing				[1]				P	P	P
Mobile homes (See Sec. 11-13)										P
Mobile home parks (See Sec. 11-13)										P
Modular housing								P	P	P
Multi-family dwelling					C	P	P		C	
Single-family dwelling	P	P	P	P	P	P	P	P	P	P
Antennas (See Sec. 11-14-6)	C	C	C	C	C	C	C	C	C	C
Public utility service facilities	P	P	P	P	P	P	P	P	P	P
Towers (See Sec. 11-14-5)	C	C	C	C	C	C	C	C	C	C

Accessory uses (See Sec. 11-7-6(D))	A	A	A	A	A	A	A	A	A	A
Temporary use (See Sec. 11-7-6(E)(1-3))	T	T	T	T	T	T	T	T	T	T
Temporary Construction or Sales Office (See Sec. 11-7-6(E)(4))	T	T	T	T	T	T	T	T	T	T
Travel home (See Sec. 11-13-6(2))		T	T	T	T	T	T	T	T	T

[1] Manufactured housing is prohibited except for the following subdivision which was under development on July 1, 1998: Rainbow Meadows Subdivision.

(H) *Schedule of Mixed Use, Commercial and Industrial Zone District Uses.*

Land Use	OR	P	B-1	B-2	B-2A	B-3	B-4	I-1	I-2
Automobile and vehicle sales, repair or service establishments			C	C	P	P			
Automobile body shops			C	C	P	P			
Bed and breakfast (See Sec. 11-11-1)	P								
Building materials businesses			C	P	P	P			
Car washes				P	P	P	C		
Commercial businesses		C							
Commercial uses other than the uses by right in this zone district which comply with the performance standards of Chapter 11-11-4 and are consistent with Sec. 11-7-5(D)(1).								C	
Farm implement sales or service establishments					P	P			
Fueling stations or other retail uses having fuel pumps which comply with the following criteria: (a)All fuel storage, except propane, shall be located underground. (b)All fuel pumps, lubrication and service facilities shall be located at			P	P	P	P	C		

least 20 feet from any street right-of-way line.									
Funeral homes			C	C	C	C			
Hotels and motels			P	P	P	P			
Laundry facilities, self-service				P	P	P	P		
Mobile and travel home sales or service establishments					P	P			
Offices for medically related and professional service providers including doctors, dentists, chiropractors, lawyers, engineers, surveyors, accountants, bookkeepers, secretarial services, title companies, social service providers and other similar professional service providers.	P								
Offices not allowed as a use by right.	C								
Travel home parks and campgrounds (See Sec. 11-13)				C	C	C			
Rental businesses					P	P			
Restaurants			P	P	P	P	P		P
Restaurants, drive-in or drive-through			C	C	C	C	C		
Retail sales and services establishments which cater to the general shopping public	C								
Retail stores, business and professional offices, and service establishments which cater to the general shopping public.			P	P	P	P	P		P
Retail stores, business and service establishments serving the general public but which also involve				C	C	C			

limited manufacturing of the products supplied									
Sexually oriented business (See Sec. 11-12-1)									P
Short-term rentals	P		P	P	P	P	P	P	P
Taverns			P	P	P	P	C		
Theaters			P	P	P	P			
Veterinary clinics or hospitals for small animals				P	P	P			
Veterinary clinics or hospitals for large animals					P	P			
Above ground storage facilities for hazardous fuels						P			P
Aircraft support services, including, but not limited to, aircraft maintenance and passenger and crew services.								P	P
Construction and contractor's office and equipment storage facilities						P			P
Feed storage and sales establishments						P			P
Manufacturing and non-manufacturing uses including: food processing; metal finishing and fabrication; paper, plastic and wood manufacturing (excluding processing of any raw materials), fabric manufacturing and similar activities. (See Sec. 11-11-4)					C	C		P	P
Other industrial uses									P
Storage facilities, indoor			C	P	P	P	C		P
Storage facilities, outdoor					C	P		P	P
Warehouse and wholesale distribution operations			C	C	C	C		P	P
Airport								P	P
Assisted living facilities	C			P	P	P			
Childcare facilities	P	C	P	P	P	P	P	P	P
College or other place of adult education			P	P	P	P			

Daytime social service activities by a social service provider, to include food storage; food distribution without monetary remuneration as a food pantry and/or food service without monetary remuneration as a soup kitchen; laundry facilities not for profit; showers; and counseling to include alcohol and/or substance abuse counseling. This use by right expressly excludes the overnight sheltering of people. For the purposes of this use by right authorization, "daytime" shall mean from 6:00 a.m. to 6:00 p.m. Mountain Standard Time. "Night" shall mean from 6:00 p.m. to 6:00 a.m. Mountain Standard Time.			P	P	P	P			
Family child care home	P	C	P	P	P	P	P	P	P
Government buildings and facilities	P	P	P	P	P	P	P	P	P
Hospitals	P								
Libraries		P	P	P	P	P			
Museums and visitor centers		P	P	P	P	P			
Parking facilities	P	P	P	P	P	P			
Private and fraternal clubs			P	P	P	P	C		
Public transportation facilities			P	P	P	P			
Religious assembly	P	P	P	P	P	P	P		
Schools	C	P	C	C	C	C	C		
Golf courses		C							
Parks, open space and recreation facilities	P	P	P	P	P	P	P	P	P
Private recreation facilities		P							
Duplex	P		P	P	P	P	P	P	P

Group homes—handicapped/disabled 8 persons or less (see Sec. 11-11-2)	P		P	P	P	P	P	P	P
Group homes—handicapped/disabled > 8 persons (see Sec. 11-11-2)	C		C	C	C	C	C	C	C
Group homes, other (See Sec. 11-11-2)	C		C	C	C	C	C	C	C
Home occupation (See Sec. 11-11-3)	A		A	A	A	A	A	A	A
Multifamily dwelling	C	C	P	P	P	P	P	P	P
Single-family dwelling	P	C	P	P	P	P	P	P	P
Supportive housing	C					C		C	
Antennas (See Sec. 11-14-6)	C	C	C	C	C	C	C	C	C
Public utility service facilities	P	P	P	P	P	P	P	P	P
Towers (See Sec. 11-14-5)	C	C	C	C	C	C	C	C	C
Accessory uses (See Sec. 11-7-6(D))	A	A	A	A	A	A	A	A	A
Temporary use (See Sec. 11-7-6(E)(1—3))	T	T	T	T	T	T	T	T	T
Temporary Construction or Sales Office (See Sec. 11-7-6(E)(4))	T	T	T	T	T	T	T	T	T
Travel home (See Sec. 11-13-6(2))	T		T	T	T	T	T	T	T

(Ord. No. 2626 , § 3(exh. A), 5-16-2023)

ORDINANCE NO. 2700

AN ORDINANCE OF THE CITY OF MONTROSE, COLORADO, FOR THE ANNEXATION OF THE **HAYNES ADDITION.**

WHEREAS, a petition for the annexation of a tract of land known as the **Haynes Addition** has been submitted to the City of Montrose and has been found by the City Council to be in substantial compliance with C.R.S. § 31-12-107(1); and

WHEREAS, said petition has been signed by the owners of 100% of the area proposed to be annexed exclusive of streets and alleys; and

WHEREAS, the property is eligible for annexation in accordance with the Municipal Annexation Act of 1965, as amended.

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

SECTION 1:

The property described in **Exhibit A**, known as the **HAYNES ADDITION,** is hereby annexed to the City of Montrose, Colorado.

You will please take notice that the Montrose City Council will hold a hearing upon the above Ordinance and on the question of its passage on first reading on Tuesday, the 2nd day of December, 2025, at the hour of 6:00 p.m. at the Montrose City Council Chambers, Elks' Civic Building in Montrose, Colorado.

INTRODUCED, READ and PASSED on first reading this 2nd day of December, 2025.

David Frank, Mayor

ATTEST:

Lisa DelPiccolo, City Clerk

INTRODUCED, READ and ADOPTED on second reading this 6th day of January, 2026.

David Frank, Mayor

ATTEST:

Lisa DelPiccolo, City Clerk

EXHIBIT A

Legal Description

A TRACT OF LAND SITUATED IN THE NW¼SE¼ SECTION 18, TOWNSHIP 49 NORTH, RANGE 9 WEST, NEW MEXICO PRINCIPAL MERIDIAN, MORE PARTICULARLY DESCRIBED AS FOLLOWS:

BEGINNING AT THE NORTHEAST CORNER OF LOT 2R ROBERT & BARBARA HAYNES REPLAT RECORDED AT RECEPTION NO.________, MONTROSE COUNTY RECORDS; THENCE SOUTH 00°25'20" EAST, 239.36 FEET ALONG THE EAST LINE OF SAID LOT 2R TO THE SOUTHEAST CORNER OF SAID LOT 2R AND A POINT OF THE NORTH LINE OF THE LINCOLN ROAD ROW RECORDED AT RECEPTION NO. 908645, MONTROSE COUNTY RECORDS; THENCE SOUTH 88°22'09" EAST, 103.71 FEET ALONG NORTH LINE OF SAID LINCOLN ROAD ROW; THENCE SOUTH 00°08'44" EAST, 40.02 FEET ALONG THE EAST LINE OF SAID LINCOLN ROAD ROW; THENCE NORTH 88°22''09" WEST, 186.58 FEET ALONG THE SOUTH LINE OF SAID LINCOLN ROAD ROW TO THE EAST LINE OF 6450 ROAD NO. 5 ADDITION RECEPTION NO. 670725, THENCE ALONG SAID EAST LINE NORTH 01°51'49" EAST, 280.07 FEET TO A POINT ON THE NORTH LINE OF SAID LOT 2R; THENCE SOUTH 87°40'41" EAST, 71.92 FEET TO THE POINT OF BEGINNING.

ORDINANCE NO. 2701

AN ORDINANCE OF THE CITY OF MONTROSE, COLORADO, PROVIDING FOR THE ZONING OF THE **HAYNES ADDITION** AS AN "R-6," MEDIUM DENSITY/MANUFACTURED HOUSING DISTRICT.

WHEREAS, the **Haynes Addition** has been recently annexed to the City of Montrose, Colorado; and

WHEREAS, the owners of such property have requested zoning which the Planning Commission has reviewed and recommended in accordance with the requirements of the City Code; and

WHEREAS, the proposed recommendation is substantially in accord with the City's Master Plan, is compatible with existing zoning in nearby or adjoining properties, and is in the public interest.

NOW, THEREFORE, BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF MONTROSE, COLORADO, that

The Official Zoning Map is hereby amended to designate the **Haynes Addition,** according to the Official Annexation Map thereof, as an "R-6", Medium Density/Manufactured Housing District.

You will please take notice that the Montrose City Council will hold a hearing upon the above Ordinance and on the question of its passage on first reading on Tuesday, the 2nd day of December 2025, at the hour of 6:00 p.m. at the Montrose City Council Chambers, Elks' Civic Building in Montrose, Colorado.

INTRODUCED, READ and PASSED on first reading this 2nd day of December, 2025.

David Frank, Mayor

ATTEST:

Lisa DelPiccolo

Lisa DelPiccolo, City Clerk

CITY OF MONTROSE
CITY SEAL
COLORADO

INTRODUCED, READ and ADOPTED on second reading this 6th day of January, 2026.

David Frank, Mayor

ATTEST:

Lisa DelPiccolo, City Clerk

October 2025 City of Montrose Sales, Use & Excise Tax Collections Report

General Fund Sales and Use Tax

General Fund Retail Sales Tax

Retail sales tax collected in October 2025 at the General Fund tax rate of 3% was $2,173,638. This amount is 1.9% higher than the revenue collected in October 2024, which totaled $2,133,247. As of the end of October 2025, year to date collections total $21,695,072, representing an increase of 2% compared to the year to date total in October 2024, which was $21,274,315.

General Fund Retail Sales Tax (3%)

Revenue Category	January	February	March	April	May	June	July	August	September	October	Year-to-date
2025 Revenue	$1,922,808	$1,790,588	$2,253,550	$2,049,574	$2,165,011	$2,437,629	$2,318,980	$2,265,341	$2,317,953	$2,173,638	$21,695,072
2024 Revenue	$1,905,682	$1,843,447	$2,196,460	$1,974,461	$2,050,092	$2,371,247	$2,285,529	$2,191,928	$2,322,221	$2,133,247	$21,274,315
% Increase or Decrease	0.9%	-2.9%	2.6%	3.8%	5.6%	2.8%	1.5%	3.3%	-0.2%	1.9%	2%

General Fund Construction Use Tax

Construction use tax collected in October 2025 at the General Fund tax rate of 3% was $26,711. This amount is 52.9% lower than the revenue collected in October 2024, which totaled $56,684. As of the end of October 2025, year to date collections for construction use tax total $477,964, representing a decrease of 2.7% compared to the year to date total as of October 2024, which was $491,206.

General Fund Construction Use Tax (3%)

Revenue Category	January	February	March	April	May	June	July	August	September	October	Year-to-date
2025 Revenue	$94,018	$30,200	$80,558	$93,233	$35,801	$29,725	$23,573	$43,073	$21,072	$26,711	$477,964
2024 Revenue	$37,669	$34,964	$37,629	$54,355	$57,729	$51,545	$27,081	$70,916	$62,634	$56,684	$491,206
% Increase or Decrease	149.6%	-13.6%	114.1%	71.5%	-38%	-42.3%	-13%	-39.3%	-66.4%	-52.9%	-2.7%

General Fund Use and Auto Use Tax

Use and auto use tax collected in October 2025 at the General Fund tax rate of 3% was $157,525. This amount is 15.2% higher than the revenue collected in October 2024, which was $136,681. As of the end of October 2025, year to date collections for use and auto use tax total $1,406,577, representing an increase of 6.5% compared to the year to date total in October 2024, which was $1,320,360.

General Fund Use and Auto Tax (3%)

Revenue Category	January	February	March	April	May	June	July	August	September	October	Year-to-date
2025 Revenue	$130,665	$98,320	$217,072	$140,362	$120,712	$125,136	$128,695	$140,886	$147,205	$157,525	$1,406,577
2024 Revenue	$107,432	$122,714	$143,622	$154,857	$144,541	$141,582	$127,591	$132,132	$109,210	$136,681	$1,320,360
% Increase or Decrease	21.6%	-19.9%	51.1%	-9.4%	-16.5%	-11.6%	0.9%	6.6%	34.8%	15.2%	6.5%

Total Collections, General Fund Sales and Use Tax

Total sales and use tax revenue collected in October 2025 at the General Fund tax rate of 3% was $2,357,874. This amount is 1.3% higher than the revenue collected in October 2024, which was $2,326,612. As of the end of October 2025, total collections of General Fund sales and use tax amounted to $23,579,613, representing an increase of 2.1% compared to the year to date total in October 2024, which was $23,085,882.

Total Collections, General Fund Sales and Use Tax (3%)

Revenue Category	January	February	March	April	May	June	July	August	September	October	Year-to-date
2025 Revenue	$2,147,491	$1,919,108	$2,551,180	$2,283,169	$2,321,524	$2,592,490	$2,471,248	$2,449,299	$2,486,230	$2,357,874	$23,579,613
2024 Revenue	$2,050,784	$2,001,124	$2,377,711	$2,183,673	$2,252,362	$2,564,374	$2,440,201	$2,394,976	$2,494,065	$2,326,612	$23,085,882
% Increase or Decrease	4.7%	-4.1%	7.3%	4.6%	3.1%	1.1%	1.3%	2.3%	-0.3%	1.3%	2.1%

General Fund Sales and Use Tax Budget

The sales and use tax budget for October 2025 was $2,354,145. Actual collections totaled $2,357,874, resulting in a positive budget variance of 0.2%. The cumulative year to date budget for 2025 totals $23,391,928. Actual year to date collections total $23,579,613, which results in a positive budget variance of 0.8%.

General Fund Sales and Use Tax Budget

Revenue Category	January	February	March	April	May	June	July	August	September	October	Year-to-date
2025 Budget	$2,087,299	$1,997,584	$2,422,204	$2,183,400	$2,289,316	$2,594,471	$2,453,533	$2,439,005	$2,570,970	$2,354,145	$23,391,928
2025 Actual Collections	$2,147,491	$1,919,108	$2,551,180	$2,283,169	$2,321,524	$2,592,490	$2,471,248	$2,449,299	$2,486,230	$2,357,874	$23,579,613
% Increase or Decrease	2.9%	-3.9%	5.3%	4.6%	1.4%	-0.1%	0.7%	0.4%	-3.3%	0.2%	0.8%

Montrose Urban Renewal Authority (MURA) Tax Increment Financing (TIF) Collections

Sales and use tax revenues collected by businesses under the Montrose Urban Renewal Authority (MURA) Tax Increment Financing (TIF) agreement during October 2025 totaled $34,318. This amount is 5.21% higher than the October 2024 collections, which totaled $32,618. As of the end of October 2025, year to date sales and use tax collected in the MURA/Colorado Outdoors business area amounts to $346,936, representing an increase of 52.96% compared to the year to date total in October 2024, which was $226,807.

MURA TIF Collections

Revenue Category	January	February	March	April	May	June	July	August	September	October	Year-to-date
2025 Revenue	$20,877	$23,689	$37,444	$27,684	$37,260	$44,219	$43,093	$39,886	$38,467	$34,318	$346,936
2024 Revenue	$5,585	$4,042	$4,898	$8,813	$22,793	$35,022	$36,132	$38,614	$38,290	$32,618	$226,807
% Increase or Decrease	273.8%	486.1%	664.5%	214.1%	63.5%	26.26%	19.26%	3.29%	0.46%	5.21%	52.96%

Public Safety Sales and Use Tax

Public Safety Retail Sales Tax

Retail sales tax collected in October 2025 at the Public Safety Sales Tax rate of 0.58% was $425,125. This amount is 1.8% higher than the revenue collected in October 2024, which was $417,567. As of the end of October 2025, year to date collections total $4,250,165, representing an increase of 2.5% compared to the year to date total as of October 2024, which was $4,147,571.

Public Safety Sales Tax – Retail Sales (0.58%)

Revenue Category	January	February	March	April	May	June	July	August	September	October	Year-to-date
2025 Revenue	$374,894	$350,063	$442,162	$400,326	$424,415	$479,123	$455,323	$444,233	$454,501	$425,125	$4,250,165
2024 Revenue	$368,943	$356,549	$425,902	$382,301	$399,593	$464,318	$448,187	$429,674	$454,537	$417,567	$4,147,571
% Increase or Decrease	1.6%	-1.8%	3.8%	4.7%	6.2%	3.2%	1.6%	3.4%	0.0%	1.8%	2.5%

Public Safety Sales Tax, Construction Use Tax

Construction use tax collected in October 2025 at the Public Safety Sales Tax rate of 0.58% was $45,037. This amount is 360.8% higher than the revenue collected in October 2024, which was $9,773. As of the end of October 2025, year to date collections total $176,374, representing an increase of 36.6% compared to the year to date total in October 2024, which was $129,156.

Public Safety Sales Tax – Construction Use Tax (0.58%)

Revenue Category	January	February	March	April	May	June	July	August	September	October	Year-to-date
2025 Collections	$19,926	$6,007	$17,315	$29,611	$7,293	$5,704	$4,558	$8,328	$32,595	$45,037	$176,374
2024 Collections	$7,273	$7,064	$9,064	$16,043	$16,623	$12,552	$5,236	$33,419	$12,109	$9,773	$129,156
% Increase or Decrease	174%	-15%	91%	84.6%	-56.1%	-54.6%	-12.9%	-75.1%	169.2%	360.8%	36.6%

Public Safety Sales Tax, Use and Auto Tax

Use and auto tax collected in October 2025 at the Public Safety Sales Tax rate of 0.58% was $30,455. This amount is 15.2% higher than the revenue collected in October 2024, which was $26,425. As of the end of October 2025, year to date collections total $271,938, representing an increase of 6.5% compared to the year to date total as of October 2024, which was $255,270.

Public Safety Sales Tax – Use and Auto Tax (.58%)

Revenue Category	January	February	March	April	May	June	July	August	September	October	Year-to-date
2025 Collections	$25,262	$19,009	$41,967	$27,137	$23,338	$24,193	$24,881	$27,238	$28,460	$30,455	$271,938
2024 Collections	$20,770	$23,725	$27,767	$29,939	$27,945	$27,372	$24,668	$25,545	$21,114	$26,425	$255,270
% Increase or Decrease	21.6%	-19.9%	51.1%	-9.4%	-16.5%	-11.6%	0.9%	6.6%	34.8%	15.2%	6.5%

Total Collections, Public Safety Sales and Use Tax

Total sales and use tax revenue collected in October 2025 at the Public Safety Sales Tax rate of 0.58% was $500,617. This amount is 10.3% higher than the revenue collected in October 2024, which was $453,765. As of the end of October 2025, total collections for Public Safety Sales Tax revenues amount to $4,698,477, representing an increase of 3.7% compared to the year to date total as of October 2024, which was $4,531,997.

Public Safety Sales Tax – Total Collections (0.58%)

Revenue Category	January	February	March	April	May	June	July	August	September	October	Year-to-date
2025 Collections	$420,082	$375,079	$501,444	$457,074	$455,046	$509,020	$485,762	$479,799	$515,556	$500,617	$4,698,477
2024 Collections	$396,986	$387,338	$462,733	$428,283	$444,161	$504,242	$478,091	$488,638	$487,760	$453,765	$4,531,997
% Increase or Decrease	5.8%	-3.2%	8.4%	6.7%	2.5%	0.9%	1.4%	-1.8%	5.7%	10.3%	3.7%

Public Safety Sales and Use Tax Budget

The Public Safety Sales and Use Tax budget for October 2025 was $457,738. Actual collections totaled $500,617, which resulted in a positive budget variance of 9.4%. The cumulative year to date budget for 2025 totals $4,571,988. Actual year to date collections total $4,698,477 which results in a positive budget variance of 2.8%.

Public Safety Sales and Use Tax Budget

Revenue Category	January	February	March	April	May	June	July	August	September	October	Year-to-date
2025 Budget	$398,482	$389,356	$464,532	$431,186	$447,844	$507,517	$478,869	$496,549	$499,915	$457,738	$4,571,988
2025 Actual Collections	$420,082	$375,079	$501,444	$457,074	$455,046	$509,020	$485,762	$479,799	$515,556	$500,617	$4,698,477
% of Variance	5.4%	-3.7%	7.9%	6%	1.6%	0.3%	1.2%	-3.4%	3.1%	9.4%	2.8%

Montrose Recreation District Collections

In October 2025, sales and use tax collections at the Montrose Recreation District rate of 0.3% totaled $258,941. This amount is 10% higher than the October 2024 collections, which totaled $235,386. As of the end of October 2025, year to date collections total $2,430,374, representing an increase of 3.6% compared to the year to date total as of October 2024, which was $2,346,554.

Montrose Recreation District (0.3%)

Revenue Category	January	February	March	April	May	June	July	August	September	October	Year-to-date
2025 Collections	$217,285	$194,007	$259,371	$236,568	$235,369	$263,287	$250,758	$248,120	$266,668	$258,941	$2,430,374
2024 Collections	$205,370	$200,512	$239,299	$221,783	$229,960	$261,171	$247,269	$253,099	$252,705	$235,386	$2,346,554
% Increase or Decrease	5.8%	-3.2%	8.4%	6.7%	2.4%	0.8%	1.4%	-2%	5.5%	10%	3.6%

Hotel, Lodging, Short Term Rental and Restaurant Excise Taxes

Hotel Excise Tax (6%)

Hotel excise taxes collected at the rate of 6% on hotel, lodging and short term rental retail sales in October 2025 totaled $124,616. This amount is 680.7% higher than those collected in October 2024, which totaled $15,962. As of the end of October 2025, year to date collections total $1,059,591, representing an increase of 519.7% compared to the year to date as of October 2024, which was $170,989.

The significant increase in collections from 2024 to 2025 is primarily due to the Hotel Excise Tax rate rising from 0.9% in 2024 to 6% in 2025. This rate change was approved by voters on November 5, 2024, and took effect on January 1, 2025.

Hotel Excise Tax (6%)

Revenue Category	January	February	March	April	May	June	July	August	September	October	Year-to-date
2025 Collections	$45,955	$53,147	$67,431	$60,021	$98,586	$154,332	$165,826	$136,113	$153,564	$124,616	$1,059,591
2024 Collections	$8,742	$9,744	$12,244	$11,354	15,843	$22,270	$26,108	$23,548	$25,176	$15,962	$170,989
% Increase or Decrease	425.7%	445.4%	450.7%	428.6%	522.3%	593%	535.2%	478%	510%	680.7%	519.7%

Restaurant Excise Tax (0.8%)

Restaurant excise taxes collected at the rate of 0.8% on restaurant retail sales in October 2025 totaled $65,402. This amount is 14.8% higher than those collected in October 2024, which totaled $56,973. As of the end of October 2025, year to date collections total $608,872, representing an increase of 7.2% compared to the year to date total as of October 2024, which was $568,094.

Restaurant Excise Tax (0.8%)

Revenue Category	January	February	March	April	May	June	July	August	September	October	Year-to-date
2025 Collections	$51,895	$49,588	$63,597	$51,751	$62,187	$66,221	$68,030	$66,377	$63,824	$65,402	$608,872
2024 Collections	$49,121	$47,369	$54,984	$53,487	$58,080	$61,144	$63,479	$60,478	$62,978	$56,973	$568,094
% Increase or Decrease	5.6%	4.7%	15.7%	-3.2%	7.1%	8.3%	7.2%	9.8%	1.3%	14.8%	7.2%

Total Collections, Hotel and Restaurant Excise Tax

Total hotel and restaurant excise tax revenues collected in October 2025 at the rates of 6% and 0.8%, respectively, total $190,018. This amount is 160.5% higher than the revenues collected in October 2024, which totaled $72,935. As of the end of October 2025, year to date total collected hotel and excise tax revenues amount to $1,668,463, representing an increase of 125.7% compared to the year to date total as of October 2024, which was $739,083.

Total Collections, Hotel (6%) and Restaurant (0.8%) Excise Tax

Revenue Category	January	February	March	April	May	June	July	August	September	October	Year-to-date
2025 Collections	$97,850	$102,735	$131,028	$111,772	$160,773	$220,553	$233,856	$202,490	$217,388	$190,018	$1,668,463
2024 Collections	$57,863	$57,113	$67,227	$64,841	$73,923	$83,414	$89,587	$84,026	$88,154	$72,935	$739,083
% Increase or Decrease	69.1%	79.9%	94.9%	72.4%	117.5%	164.4%	161%	141%	146.6%	160.5%	125.7%

Hotel and Restaurant Excise Tax Budget

The Hotel and Restaurant Excise Tax Budget for October 2025 was $76,007. Actual collections totaled $190,018, resulting in a positive budget variance of 150%. The cumulative year to date budget as of October 2025 totals $772,534. Actual year to date collections total $1,668,463, which results in a positive budget variance of 116%.

Hotel (6%) and Restaurant (0.8%) Excise Tax Budget

Revenue Category	January	February	March	April	May	June	July	August	September	October	Year-to-date
2025 Budget	$59,809	$59,125	$69,817	$67,342	$77,161	$87,641	$94,584	$88,372	$92,675	$76,007	$772,534
2025 Actual Collections	$97,850	$102,735	$131,028	$111,772	$160,773	$220,553	$233,856	$202,490	$217,388	$190,018	$1,668,463
% of Variance	63.6%	73.8%	87.7%	66%	$108.4	151.7%	147.2%	129.1%	134.6%	150%	116%

Montrose Urban Renewal Authority (MURA) Tax Increment Financing (TIF) Hotel and Restaurant Excise Tax Collections

Hotel and restaurant excise tax revenues collected by businesses under the Montrose Urban Renewal Authority (MURA) Tax Increment Financing (TIF) agreement in October 2025 totaled $29,991. This amount is 343% higher than the October 2024 collections, which totaled $6,777. As of the end of October 2025, total hotel and restaurant excise taxes collected under the Montrose Urban Renewal Authority (MURA) Tax Increment Financing (TIF) agreement total $282,446, representing an increase of 542% compared to the year to date total as of October 2024, which was $43,996.

MURA TIF Hotel and Restaurant Excise Tax

Revenue Category	January	February	March	April	May	June	July	August	September	October	Year-to-date
2025 Collections	$16,236	$16,652	$23,185	$22,846	$29,592	$39,685	$37,194	$33,866	$33,198	$29,991	$282,446
2024 Collections	$548	$561	$604	$1,097	$4,379	$6,696	$7,484	$7,762	$8,087	$6,777	$43,996
% Increase or Decrease	2,860.7%	2,866.7%	3,736.8%	1,983.5%	576%	493%	397%	336%	310%	343%	542%

Retail Enhancement Program Collections

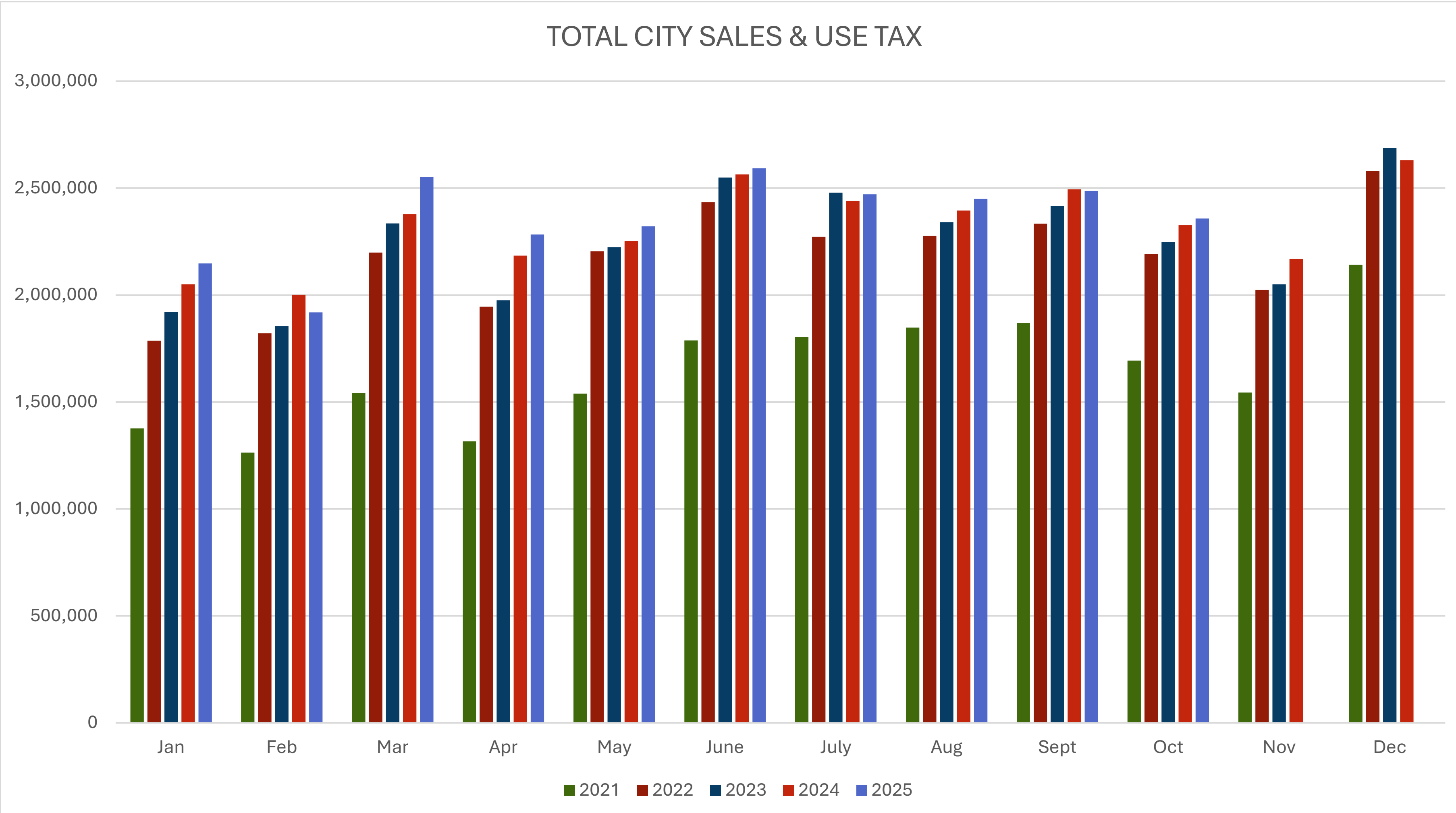
Revenues collected by the Retail Enhancement Program in October 2025 totaled $57,170. This amount is 2.2% higher than the October 2024 collections, which totaled $55,915. As of the end of October 2025, total collections amount to $573,346, representing an increase of 2.1% compared to the year to date total as of October 2024, which was $561,521.

Retail Enhancement Program Collections

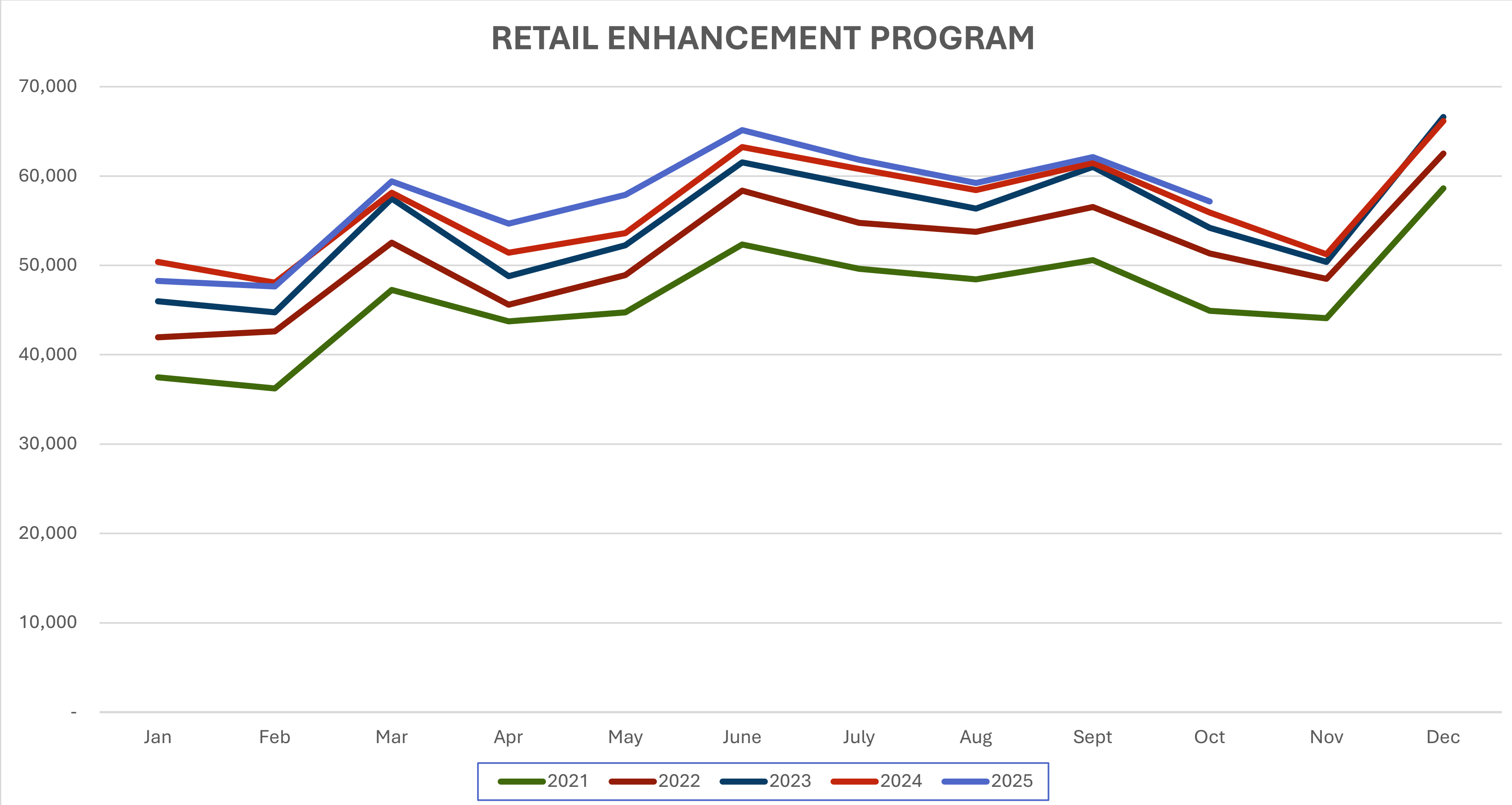
Revenue Category	January	February	March	April	May	June	July	August	September	October	Year-to-date
2025 Collections	$48,263	$47,643	$59,401	$54,671	$57,905	$65,142	$61,825	$59,218	$62,108	$57,170	$573,346
2024 Collections	$50,401	$48,068	$58,145	$51,433	$53,597	$63,256	$60,789	$58,440	$61,478	$55,915	$561,521
% Increase or Decrease	-4.2%	-0.9%	2.2%	6.3%	8%	3%	1.7%	1.3%	1%	2.2%	2.1%

Graphs and Charts:

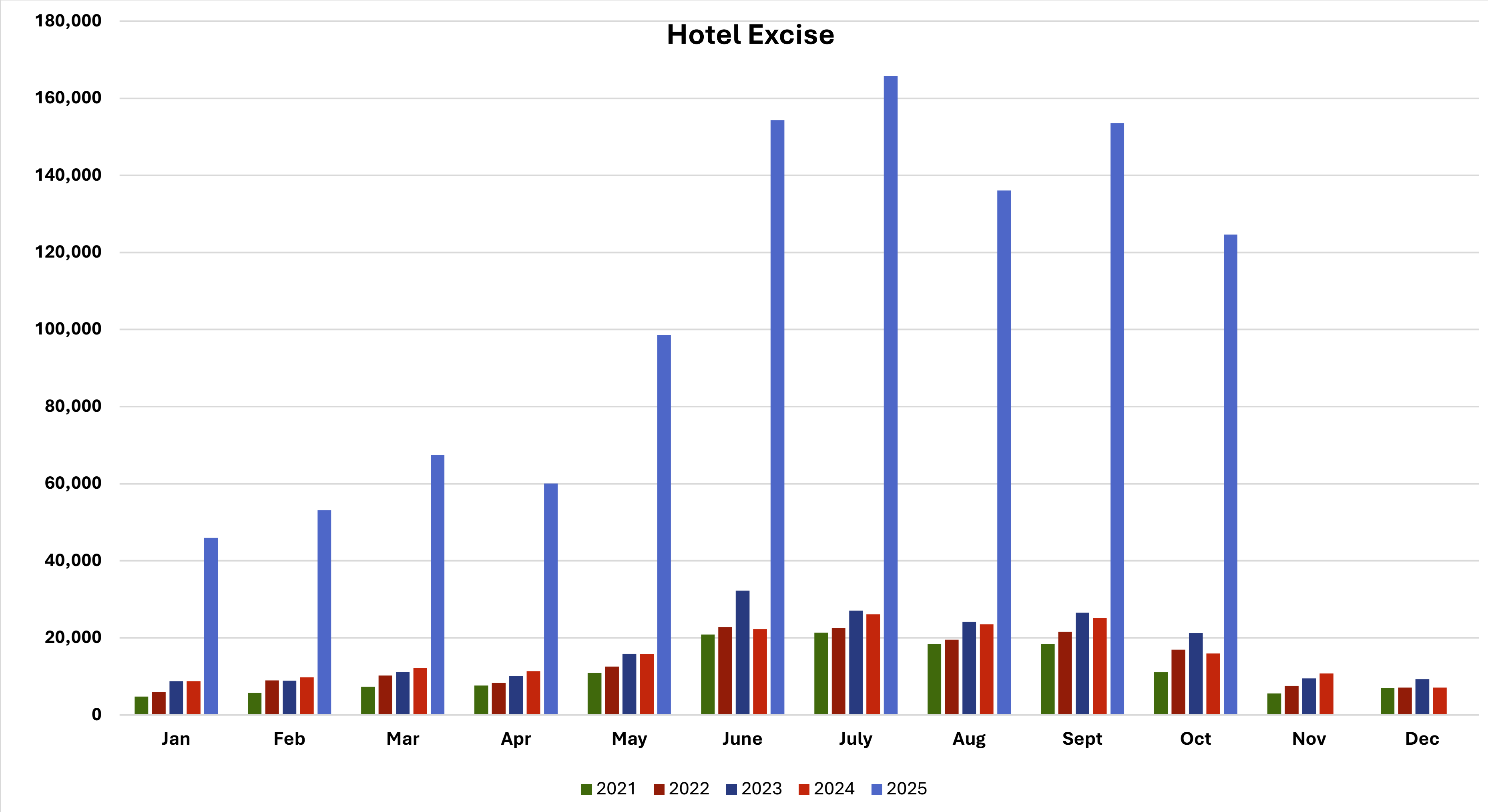
Total City Sales and Use Tax



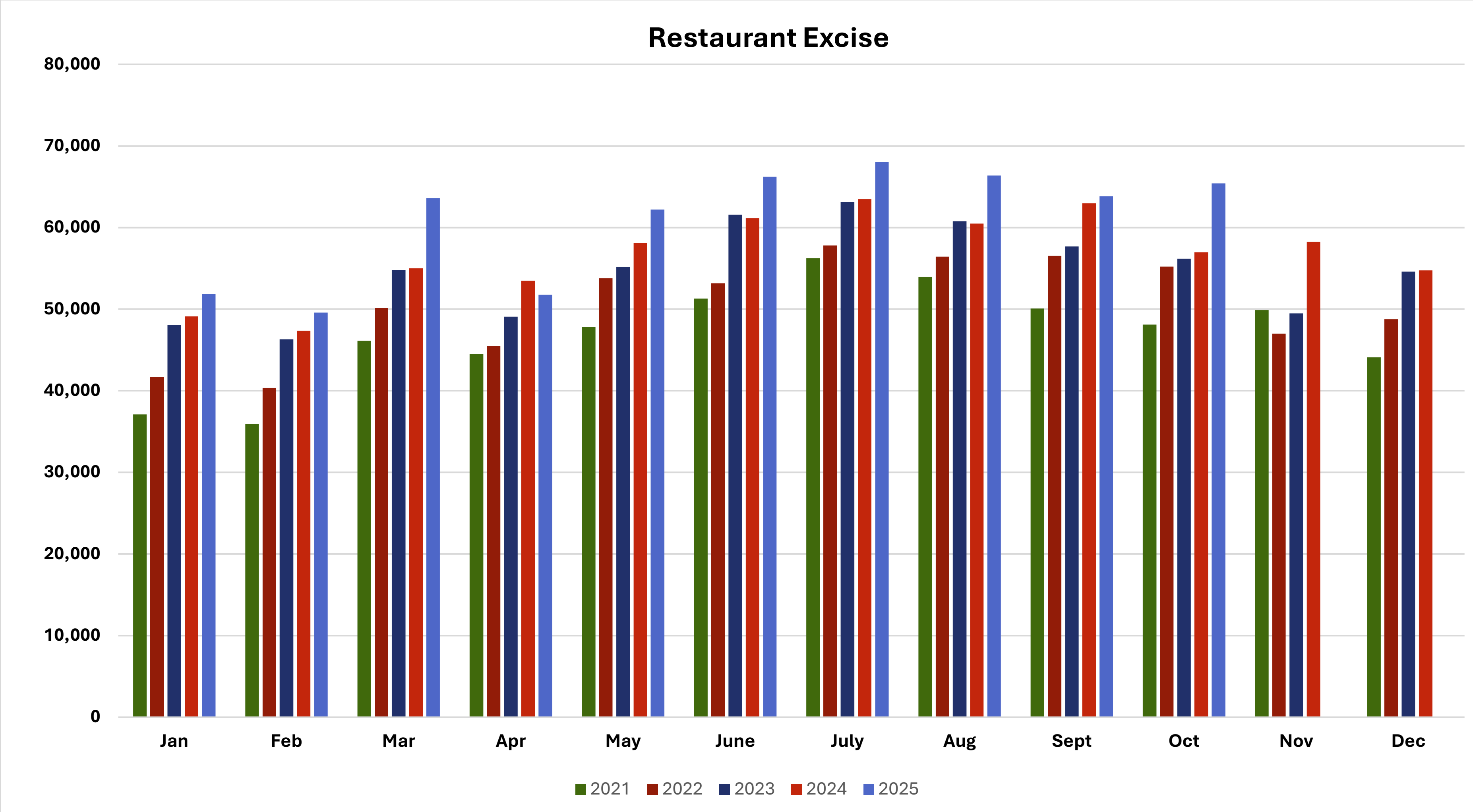
Retail Enhancement Program



Hotel Excise Tax



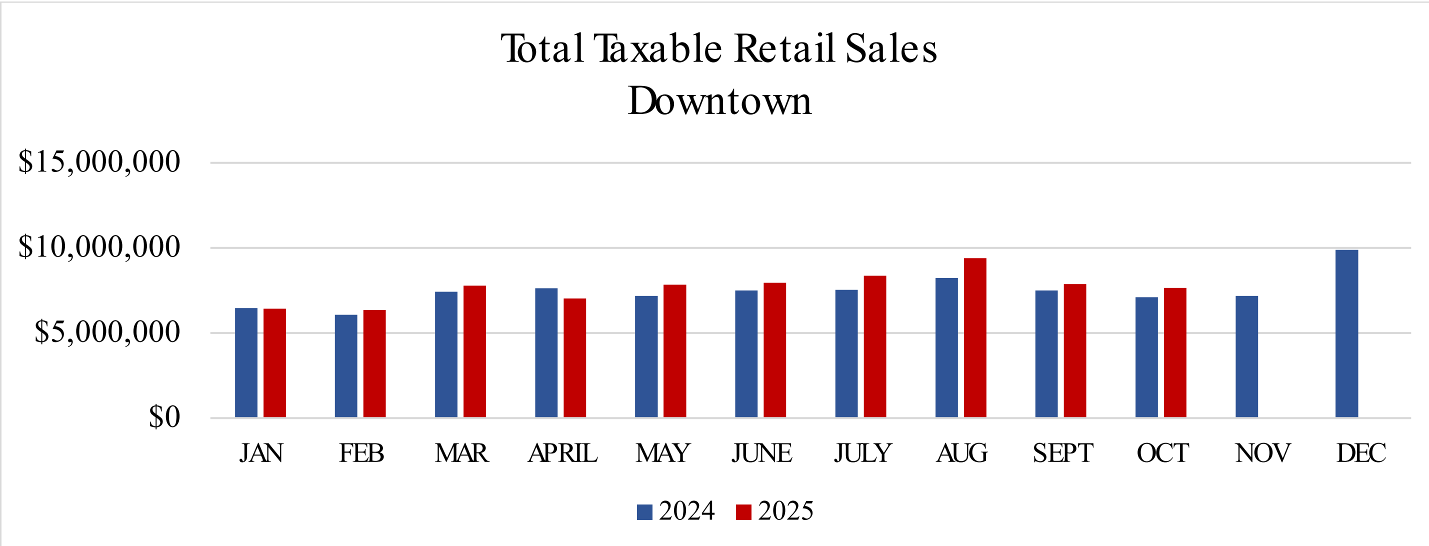
Restaurant Excise Tax



October 2025 Business Area Report

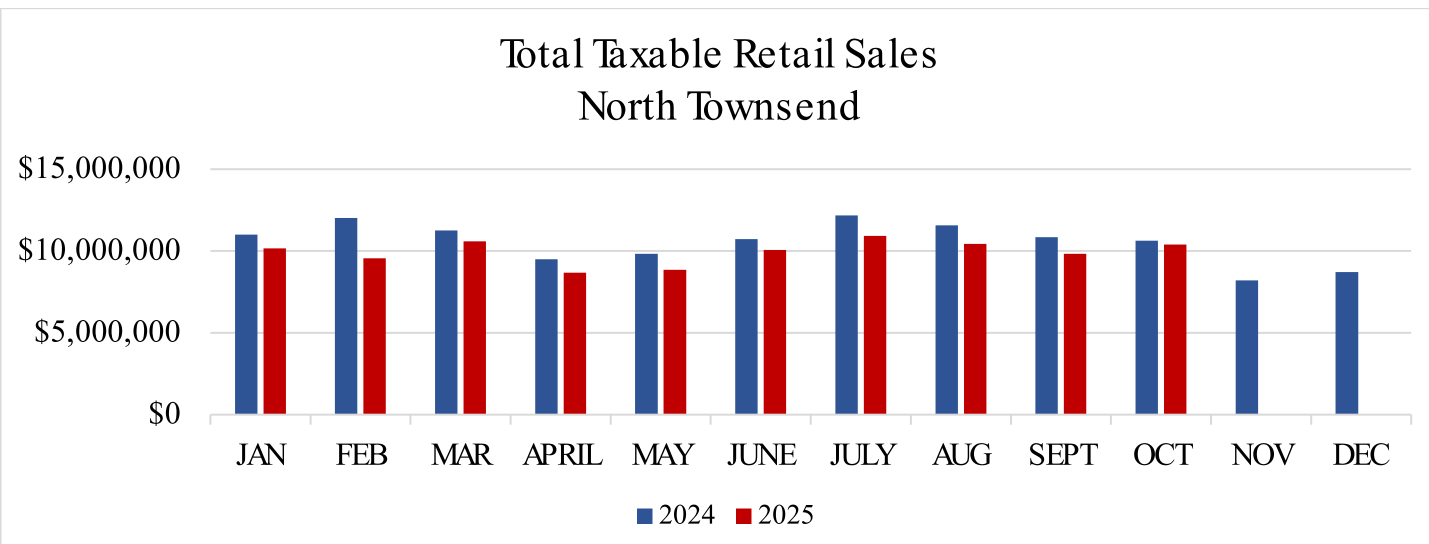
Downtown Total Taxable Retail Sales

October 2025 taxable retail sales in the Downtown business area were higher than October 2024.



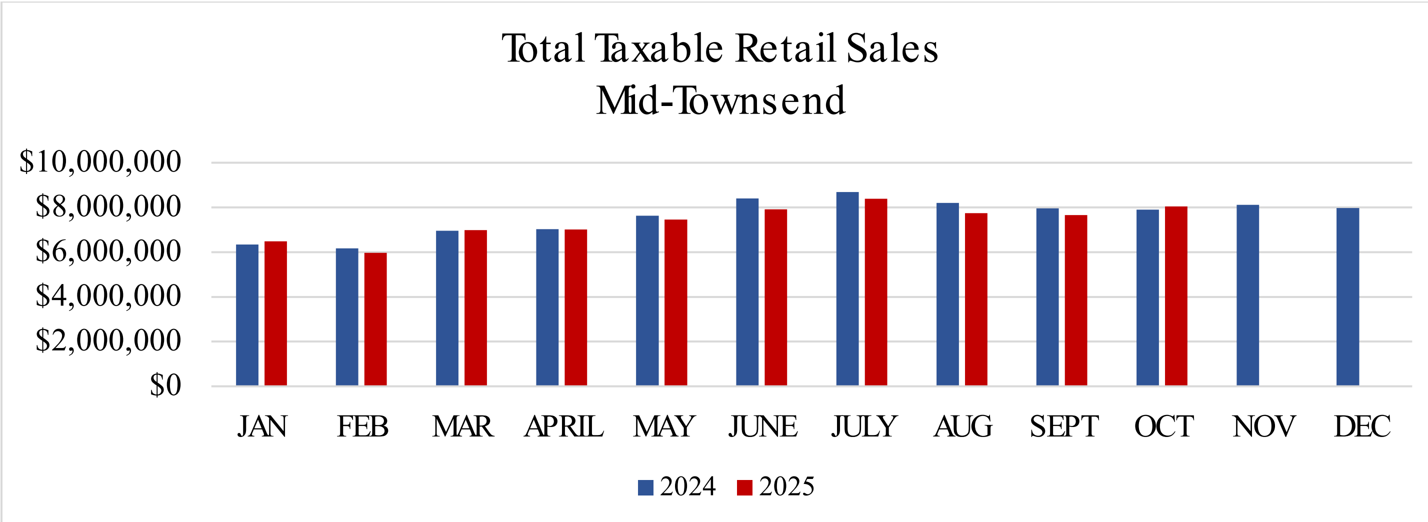
North Townsend Total Taxable Retail Sales

October 2025 taxable retail sales in the North Townsend business area were lower than October 2024.



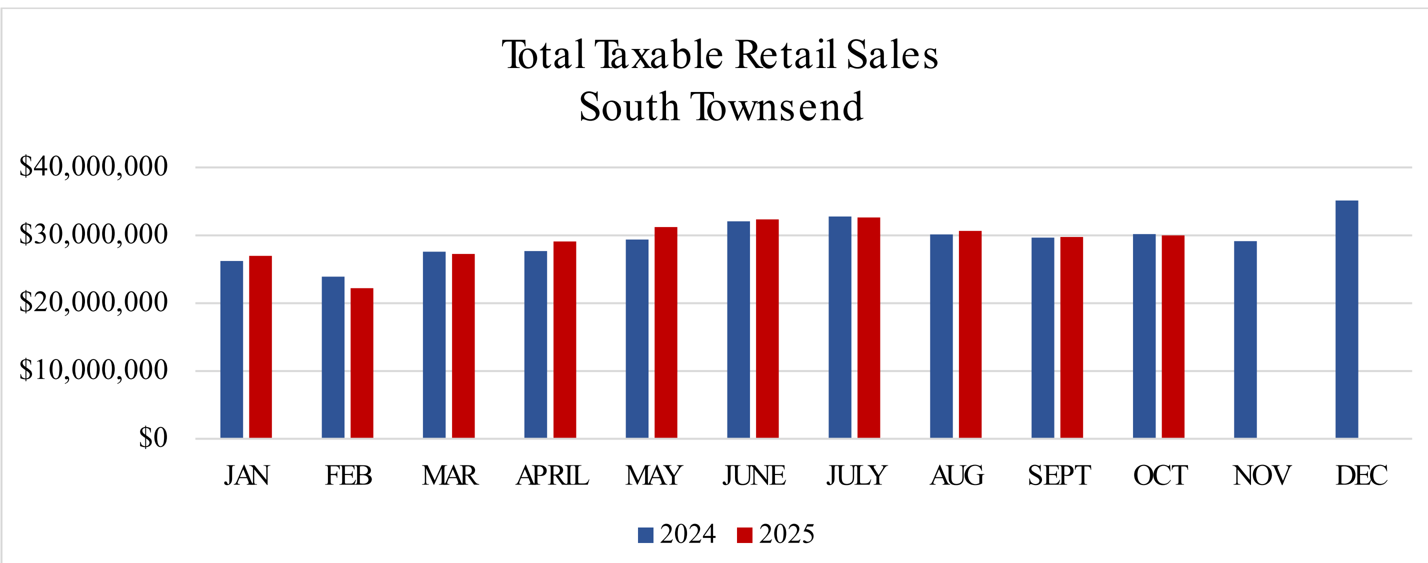
Mid-Townsend Total Taxable Retail Sales

October 2025 taxable retail sales in the Mid-Townsend business area were higher than October 2024.



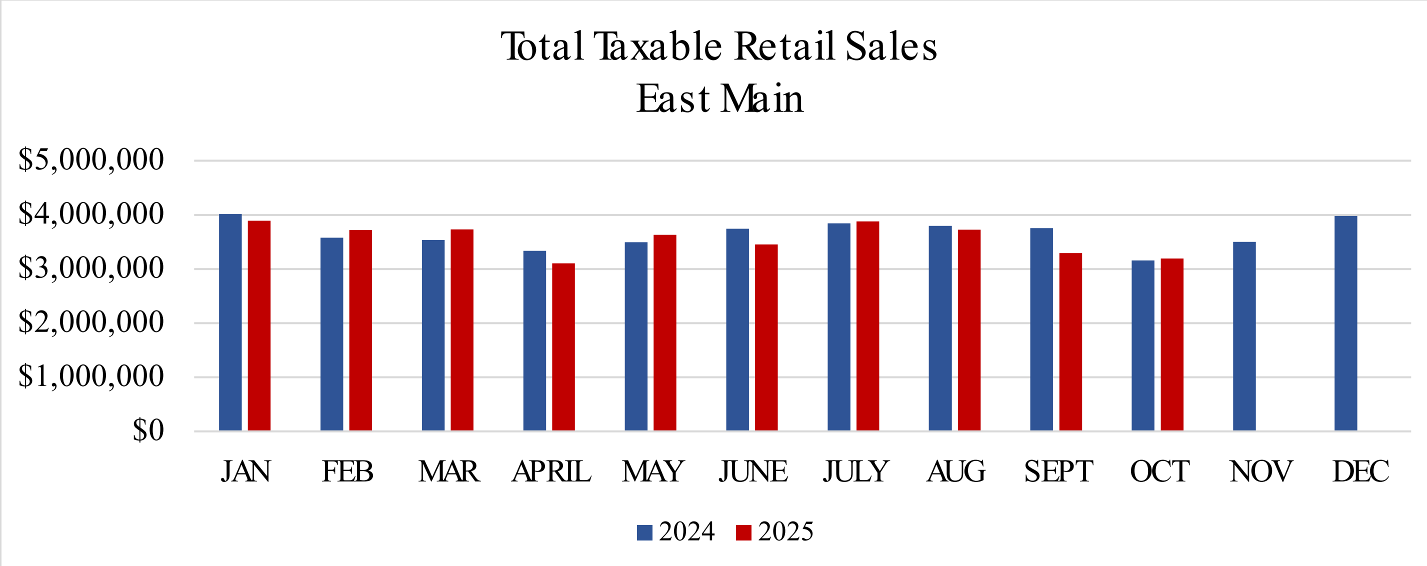
South Townsend Total Taxable Retail Sales

October 2025 taxable retail sales in the South Townsend business area were lower than October 2024.



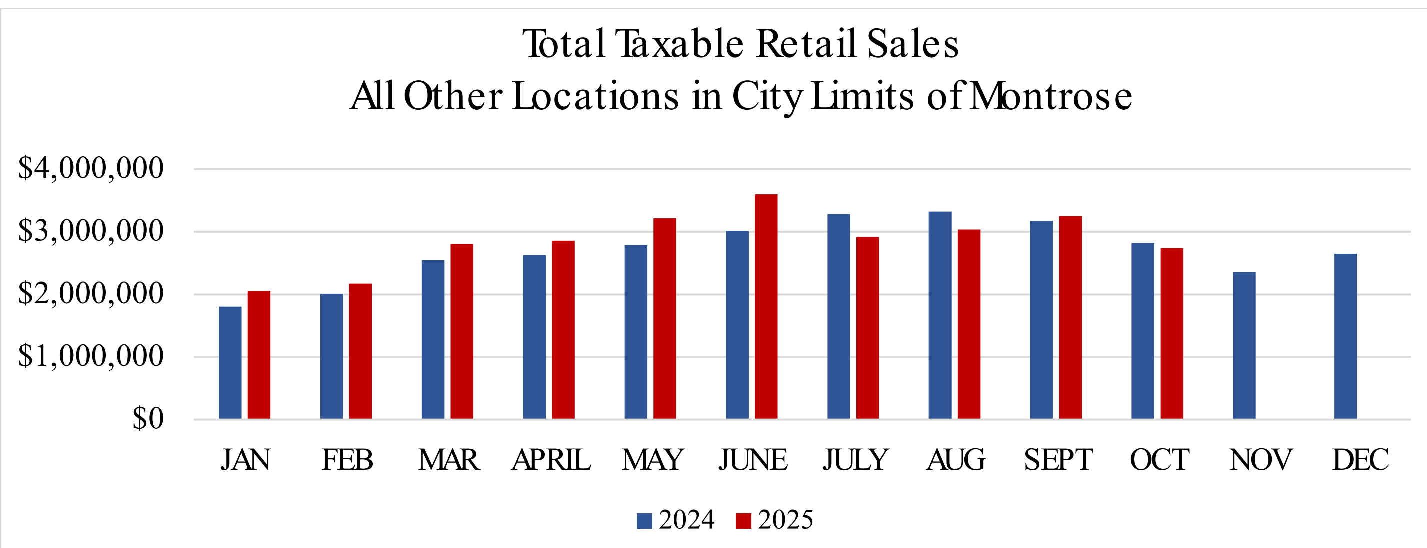
East Main Total Taxable Retail Sales

October 2025 taxable retail sales in the East Main business area were higher than October 2024.



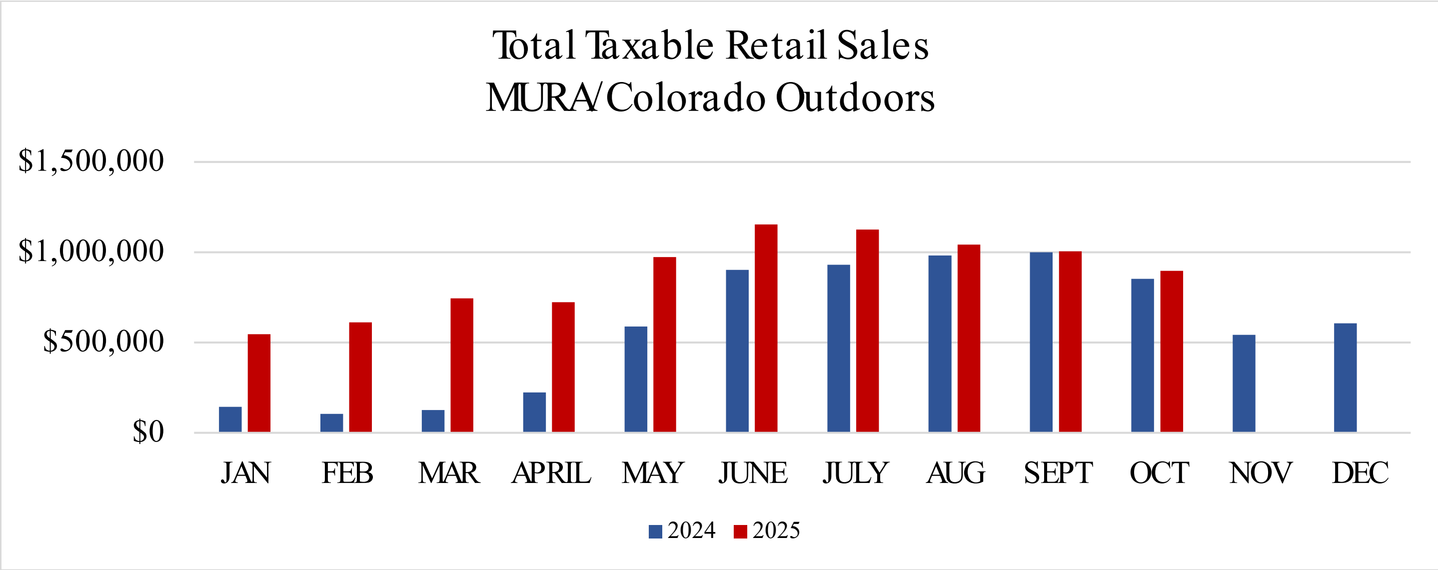
All Other Locations in City Limits of Montrose

October 2025 taxable retail sales from All Other Locations in the City Limits of Montrose were lower than October 2024.



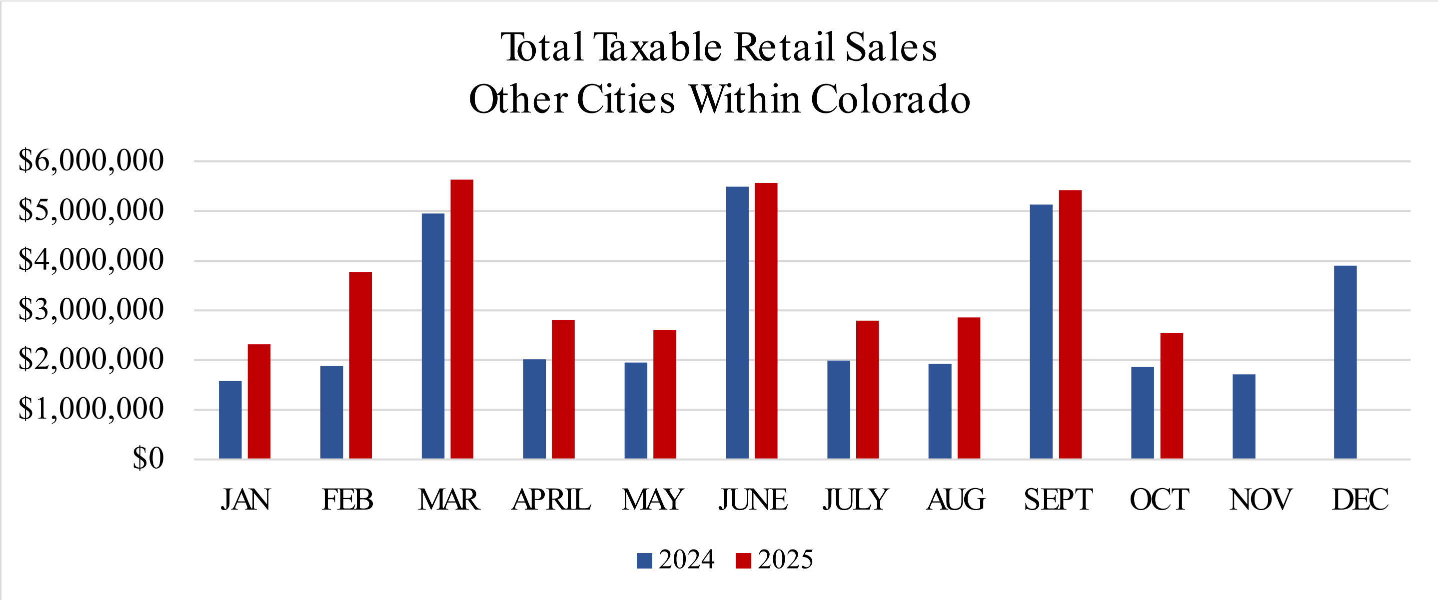
MURA/Colorado Outdoors

October 2025 taxable retail sales in the MURA/Colorado Outdoors business area were higher than October 2024.



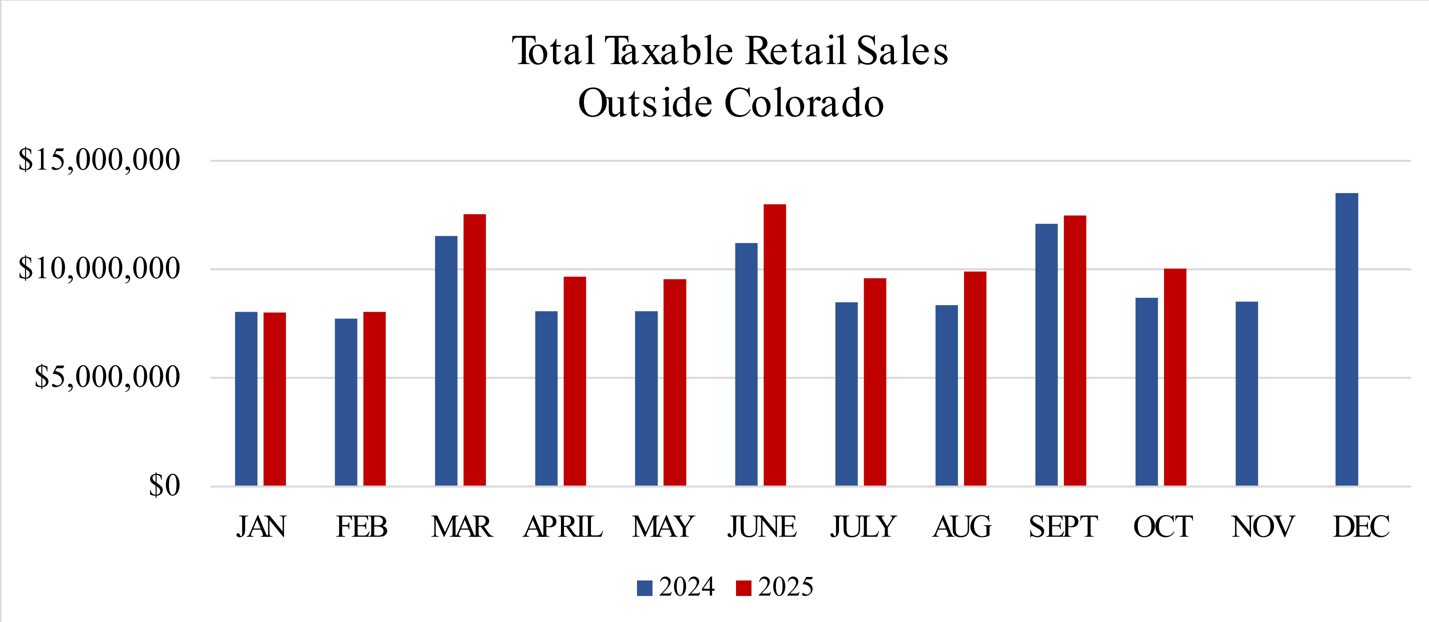
Other Cities Within Colorado

October 2025 taxable retail sales from businesses located in Other Cities Within Colorado were higher than October 2024.



Outside Colorado

October 2025 taxable retail sales from businesses Outside Colorado were higher than October 2024.



Homebase Businesses

October 2025 taxable retail sales from Homebase Businesses were higher than October 2024.