

**TOWN OF MOFFAT  
TOWN HALL  
BOARD OF TRUSTEES  
401 LINCOLN AVE.  
MOFFAT, COLORADO**



**TOWN OF MOFFAT | EST. 1911**

**BOARD OF TRUSTEES BUDGET HEARING & SPECIAL MEETING**

**December 19, 2023 - 6:00pm**

- 1. CALL TO ORDER**
- 2. PLEDGE OF ALLEGIANCE**
- 3. ROLL CALL**

Mr. Lopez  
Mr. Skoglund  
Mr. Studinski  
Mr. Reichwald (Remote)  
Mr. Kunkler (Remote)  
Mr. Horsley  
Mr. Litrenta

**4. APPROVAL OF AGENDA**

- a. Approval of Agenda

Mr. Litrenta asks to add a bill pay section to the agenda to pay to urgent bills. Mr. Studinski makes a motion to approve the agenda including bill pay. Mr. Skoglund seconds. All aye.

- b. Approval of Minutes

Mr. Studinski makes a motion to approve the minutes. Mr. Skoglund seconds. All approve.

- c. Approval to Pay Bills

Mr. Lopez reads the bills to the board. Mr. Studinski says he has concerns because he's seen that Mr. DeSouchet has simply made adjustments when books do not balance, without searching for correct inputs. The board discusses that we do need a CPA to complete yearly taxes however, it is also decided that Mr. Studinski will do the reconciling. This will benefit the town in that it could lower the hourly charges for bookkeeping and reconciling. The board agrees that the town needs a CPA. Mr. Studinski makes a motion to approve the payment of the bills. Mr. Reichwald seconds. Mr. Skoglund votes yes under protest. Mr. Reichwald votes present. Mr. Kunkler and Mr. Studinski vote yes.

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## 5. **PUBLIC COMMENT**

Public comment is intended for members of the public wishing to address the Board of Trustees about matters that are not listed for discussion on the agenda. All speakers must stay on topic and are encouraged to state their point as briefly and clearly as possible. Each speaker is limited to a maximum of three (3) minutes. Comments will be taken under advisement by the Board, but no decisions will be made. Board and staff are here to listen during this segment of the meeting. At its discretion, the Board may elect to place a matter raised under public comment on a future agenda for further discussion and possible action. Personal attacks, whether directed at members of Town Board, Town staff or fellow citizens must be avoided.

Mr. Skoglund brings up a letter that was sent to the town by Mrs. Justice and is included in the meeting packet. Mr. Skoglund mentions that this needs to be addressed soon so the town knows how to go about the personnel issues Mr. Justice is having because, it could be harassment and he doesn't see the behavior changing. The board explains the rules of public comment to Mr. Studinski in that board members can speak in public comment. Mr. Studinski agrees with Mr. Skoglund. Mr. Skoglund again mentions that the conduct of Mr. Berger needs to be discussed ASAP with the attorney or via executive session.

Mrs. Justice is following up on a phone call she received, and subsequent letter she sent, about trustee Berger's publicly aired complaints and alleged misappropriated funds regarding her company. She did not receive anything from the town in writing but, she says she has received calls from the clerk and Mr. Reichwald and appreciates Mr. Skoglund's comment. She says it is disappointing that the town has allowed Mr. Berger to air these baseless allegations for years. She says she has not seen any kind of objection on the mayor's part and, if this continues, she won't hesitate to file a lawsuit against the town. She says she is tired of the accusations of fraud and misappropriations of funds by a board member of the town where she does business. She would like someone from the town to respond by email. She has sat quiet all while be charged fictitious fees (that were not codified) and she is tired of sitting quiet. If needed, she will take further steps to address this. She wants an email acknowledging her email and a request for information will come if needed. If need be, she will react accordingly. Mr. Lopez apologizes for these actions and for not better controlling the actions of other trustees. Mr. Lopez will reach out to Mr. Whitt and notify Mrs. Justice of the communication.

Mr. Studinski asks when would be the time to address an email from Mr. Reichwald regarding the treatment of Mr. Horsley by some trustees. Mr. Lopez says this will be included in his email/communication to the attorney, Mr. Whitt, the following morning.

## 6. **REPORTS**

### a. Clerks Report

Mr. Litrenta lets the board know we have a \$3,547 renewal for gWorks and asks the board if they would like him to cancel that. The board says yes cancel it.

Mr. Litrenta lets the board know that he got clarification from Municode and he was told that the towns codification was just assigned to an attorney and they will be reaching out soon to give a timeline.

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Also, someone will reach out about 1-2 months before the legal review starts to ask for any new ordinances that need to be reviewed, and also establish a cutoff date to get new ordinances. Mr. Litrenta says that this means we are probably 1-2 months out at least from codification, but probably more like 3-4 months out. However, it could be longer and he will get further clarification when the attorney reaches out to the town.

b. Mayors Report

No report.

c. Trustee Report

No report

d. Public Safety Report

Mr. Horsley is going over ordinances and organizing them.

The CIRSA investigation document request is continuing and a lot of progress has been made.

Mr. Horsley was told by Civic Plus that the invoicing would be spread out over 18-24 months. He is told that the invoicing will be 25% upfront, 25% at time of legal memorandum, 25% final approval. He said the initial 25% has already been paid.

**7. TOWN EVENTS**

**8. INTRODUCTIONS**

**9. OLD BUSINESS**

a. Water Discussion/Enterprise Resolution Approval

Mr. Litrenta presents the board with the water resolution. There are no resolutions in the "Resolution Binder" however online the only resolution is 2023-01. He asks if this should be Resolution 2023-02? After discussion, the board determines a bank singer resolution was never completed and is on the agenda for tonight thus, the board says yes, it is 2023-02 and reviews the resolution. Mr. Litrenta fills out the resolution.

Mrs. Bunting says that she got the language of the resolution from the bond attorney and it was reviewed by the municipal attorney. The board discusses whether the resolution needs to be read aloud. The board asks for history about Mrs. Buntings conversation regarding the enterprise. GMS first brought up enterprise status as putting a water system in would require grants and loans. Having the enterprise status gives Moffat the ability to incur debt if they need to. She says it's a response to TABOR so that they can ask for loans. If there is not sufficient revenue at the end of the year, which there often times

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won't be, then this enterprise status would be retroactively lost due to non-compliance, but there are no penalties associated with this. Moffat may or may not need to be in enterprise status to receive certain types of funding. She has been told repeatedly that this route of enterprise status gives Moffat more options to funding without any drawbacks. Mr. Studinski asks if the town would not take on any debt without approval from the town? Mrs. Bunting confirms. Mr. Lopez reads the title of the resolution. Mr. Lopez reads that in order to qualify as a water activity enterprise and under the water activity law, the enterprise must consist of a government business owned by a government entity (such as a town), the enterprise must receive under 10% of its annual revenues from any type state or federal grants and is authorized to issue its own revenue bonds. Mrs. Bunting says this is the most important paragraph and in years where the grants make up more than 10% of annual revenue, the town won't be an enterprise; in years where the town has less than 10% revenue in grants, then if the town wanted to, it could be authorized to issue revenue bonds. She says that this is also very common in municipalities. Mrs. Bunting was curious about if this is a resolution do we need to connect this enterprise to a checking account? She spoke with the bank about needing a new account and was told it can be a sub account of the existing water fund, that says "Moffat Water Activity Enterprise." This will avoid any need to change the account or signers, and will essentially operate the same way as the existing water account. This ideally would be in place when Moffat's books get reviewed next spring. The board discusses what this means with the existing water account and understands it will be the same with a new sub name after reading portions of the resolution. Mr. Studinski agrees to introduce resolution 2023-02. Mr. Studinski reads the resolution. Mr. Studinski makes a motion to approve resolution 2023-02. Mr. Skoglund seconds. All aye.

The board discusses next agenda items to be discussed, Mrs. Bunting's water budget will go first in the budget section, and water hook letter can be tabled as they have been sent out already. Mr. Litrenta completes filling out the resolution.

Mrs. Bunting's submittal to the town:

"Budget Overview for the Water Enterprise Fund.

The Water Enterprise was established on \_\_\_\_\_, 2023 by adoption of Resolution # \_\_\_\_\_. The Water Enterprise Fund is used to account for the revenues and expenditures associated with the Water Enterprise. On November 10, 2021 CDPHE determined that Moffat qualifies as a Public Water System and has required Moffat to develop a municipal water system, Town Ordinance 2023-4 establishes the execution and management of a municipal water system.

Water related income and expense line items from previous budgets have been carried forward into the 2024 budget, as well as the addition of line items corresponding to the Fee Schedule and planned Water System Project expenses.

The Operation and Maintenance (O&M) portion of this fund is operated in a manner similar to a private business, where the intent of the fund is to be self-supporting. The Water System Project portion tracks income and expenses directly related to infrastructure installation. The Town has retained GMS Engineering for design and engineering of the system. GMS will deliver an Engineering Evaluation by

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December 31, 2023 and Moffat will select one of the alternatives in early 2024. It is anticipated that key details of design and engineering, as well as applications for financing and grants will happen throughout 2024. Awards will be deposited and design, engineering, and installation costs will be spent in 2025.”

**b. QuickBooks Update**

All data had been entered and Mr. Studinski has mad a list of transactions he has questions about. However, when the clerk and Mr. Studinski tried to run a report, it only showed 0's so this will need to be looked in to. Mr. Litrenta says it will still be a challenge to do a proper budget without proper categories. Mr. Studinski has reconciled all of the accounts for all of 2023 and for several accounts, December of 2022. Ther are several items that are hard to categorize. The next step will be to categorize. Mr. Studinski gives an interest earned account for each account instead of one interest earned category, as an example of difficulties categorizing.

**c. Budget Hearing**

Mr. Litrenta gives the board the budget notice that was posted in the Saguache Crescent and at all posting locations aside from online, which is still down. This will be submitted when the town submits its budget package to DOLA.

Mr. Litrenta introduces Mrs. Bunting to discuss the water budget. Which is available in the meeting packet. She worked on the parts she could but some lines, like interest and donations, didn't make sense as these are the items that would probably be found once QB gets recategorized. She also took line items and kept flushing them out to get more accurate items, particularly on the income side for things like tap fees and water fees which have never been collected before. She also consulted with South Fork as they are similar in nature to Moffat as they have also recently developed a water system, but are three steps ahead of us. She was told to separate the budget in to an operating and maintenance section and also a water system project section as it made it easier to track large ticket items. Mr. Studinski asks if this would then be two accounts in QB. Mrs. Bunting is not sure and says it could have a different category number. Mr. Studinski says this makes sense and that we will figure it out. A lot of these numbers are educated guesses, aside from the grant numbers and engineering report expenses which we know. The big thing is that she has built out a skeleton of line items that we will need to address. She calls it a preliminary review. She is not asking for any action but just presenting to the board. Mr. Studinski asks if, since we are net negative, would there be money then transferred from another account i.e. General Funds? Mrs. Bunting confirms this. The CDBG grant is not included because we have a window to deploy it and, the idea is to deploy a lot of the grant money in 2025. 2024 will be mostly finding and getting money for the 2025 project thus, it is not confirmed CDBG or any other grant will be utilized next year. Also, no capital improvements in 2024, it will be all planning and grant writing in 2024.

The board is told that Mr. Barraclough would be utilized for other grants and Danna would be mostly the one to get us finding for this water project. All were introduced recently and on the same page. Town of Moffat is inviting you to a scheduled Zoom meeting.

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However, Mr. Barraclough may be able to get funding if Danna can't. Mrs. Bunting will try to get the water budget cleaned up before the 23<sup>rd</sup> when the town has to decide on a water project, and asks if it needs approval? Mrs. Bunting says several items need to be completed like beginning and ending balance as well as other before it can be called complete. She will check in with the town tomorrow to see how to proceed in getting those numbers.

Mr. Litrenta's discusses the budget posting (all budget items are in meeting packet) and that this meeting is intended for citizens to engage the board about the budget. Mr. Litrenta says he is learning and being directed by DOLA and Randi Sneed.

Mrs. Justice thanks Ann Bunting for working as a liaison between Potch LLC and the CDPHE as she has really helped the whole year with well #5 and getting it chlorinated.

Mr. Litrenta presents the board with the proposed budget but advises that it is not complete and it is challenging to get good numbers without accurate data in QuickBooks. Mr. Litrenta discusses the final valuation from the county and goes over the projected property tax revenue which will be roughly \$49,000. Mills will stay at 10.407 mills. This will be submitted with our budget to DOLA. He also discusses a table he made which shows 90% of the funds appropriated for 2023, appropriated for 2024. The board and the clerk review the potential revenue from the 90% application. Mr. Studinski asks if this sheet would be enough to submit for our budget being that we will not be able to complete the budget on time? Mr. Litrenta says he does not know as he is new to this. Mr. Litrenta says the he will ask either Mia Gonzales or Randi Sneed about what to do and what to submit being that we won't be able to complete a budget in time and, ask if this sheet would work. Mr. Litrenta confirms that the previous year we gave a much more detailed budget, as compared to just an account overview. The board agrees that at the moment we do not have the capacity or understanding of QuickBooks categorization or past financial data to complete the budget with confidence of accuracy and on time. The board agrees that we will have to amend the budget next year. Mr. Litrenta goes over other accounts in the budget starting with a larger overview. He explains there are challenges here as well, for example, the money in QB that was left in the 1st Southwest account doesn't not match the check we got when closing our account and that this would need to be corrected to have trust in the budget. That issue, for example, would have to do with reliable beginning and ending amounts. Mr. Studinski says he will figure out that specific example. Mr. Litrenta next discusses payroll and says it is probably the easiest as we can get those numbers but, there might need to be adjustments made to those. He also explains the accounts that each payroll would come out of. Most would be General funds aside from park work which would be CTF, road work would be HUTF, and some allotted for Excise but says the town would need to better understand if we want to use excise funds on payroll. Mr. Litrenta next explains the HUTF account and says it is one of the more strait forward accounts but still needs some work and would be much easier once QB is accurate. He also discusses that we have a General Fund and HUTF CD that is nearing maturity and that we will need to include those withdrawals in the budget. Mr. Litrenta says the other accounts, CTF, Excise Taxes, Water and General Fund, all need the same type work as the HUTF and that the town really only needs to work on the last two columns (of the included budget for each account) as the others have already been complete and submitted in years past. Mr. Studinski says that we could

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either try to put a budget out via what we have in QB knowing that the data might be bad, or just take the 90% and amend the budget when QB is more accurate. The town now realizes we cannot submit a reliable budget on time and the clerk will talk to DOLA to see what we need to submit to utilize the 90% of last year rule in the meantime, the town will work on fixing categories and developing a more accurate budget and amend the budget when we have data that we have confidence in. The mayor also wants to make sure we don't make a mistake because we are rushing. Mr. Studinski asks if he could contact his connection to help with QB navigation but the board would prefer to use the CPA who the town has already approved and paid. Mr. Litrenta says he really just wanted to give something to the board to provide a status update and context but, he will contact the correct people at DOLA to let them know where we are and what needs to be done given our situation and decision to move forward with 90% of last years budget. Mr. Studinski has some concerns about utilizing Mr. DeSouchet and doesn't know that he wants to work with him. Mr. Litrenta stresses that we need a professional to do our tax work. Mr. Litrenta says that we would use Mr. DeSouchet in the tax capacity and some QB advising, the bookkeeping and cleaning would be done by Mr. Litrenta and Mr. Studinski, and information on budget would be communicated via DOLA. In the future Mr. Litrenta would be doing bookkeeping, Mr. Studinski would be doing reconciliation, and Mr. DeSouchet would be utilized for tax related tasks. The board and Mr. Studinski agree to proceed in this way. But in the meantime, we will again contact DOLA about how to proceed being that our budget will not be done and we are utilizing the 90% of last year rule. Mr. Studinski again will clean up QB to include categorization, Mr. DeSouchet will be utilized in a tax completion capacity, and Mr. Litrenta will work on budget information and completion. Mr. Litrenta and Mr. Studinski will work together as needed. The board also advises Mr. Studinski to not focus on receipt matching as that can be done by potential investigators. Instead proceed with the budget as discussed, as the numbers in QB are in fact actual numbers in the bank and we should focus on budget issues and let the receipt investigation be done in another way if needed.

**d. Water Connection Letter Approval**

The letters have been sent out to the owners.

**e. Parking Letter Approval**

The mayor has not edited the letter yet and he will work on editing them and try to have them for the next meeting. The board expresses that this is something that needs to be addressed as citizens have expressed concern about the road and the town needs to address it.

**f. Bank Signer Resolution**

The mayor did not send the resolution so it is not available for tonight. He will work on this for next meeting.

**10. NEW BUSINESS**

**11. EXECUTIVE SESSION (IF NECESSARY)**

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The Mayor reads the executive session briefing.

Mr. Skoglund makes a motion to enter executive session to discuss personnel matters. Mr. Studinski seconds. All aye.

Mr. Skoglund makes a motion to end executive session. Mr. Studinski seconds. All Aye

## **12. ADJOURN**

To Do:

- Mayor will work on presenting the parking at AREA 420 letters
- The mayor will work on the resolution for bank signers
- The clerk will contact the right people at DOLA to find out how to properly proceed being that our budget will not be completed on time and we will be 90% of last years budget until the budget gets completed and amended
- The clerk will mail the retainer check to Mr. DeSouchet
- The clerk will engage him about tax work or any possible QB questions
- The clerk will work with Ann to address any questions about the water budget, as well as any other budget needs that can be done
- Mr. Studinski will work on categorization

Next Meeting:

- Budget Update
- QB Update
- Parking Letter Approval
- Bank Signer Resolution

Mr. Skoglund makes a motion to adjourn. Mr. Studinski seconds. All aye.

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