

EXHIBIT F

**THE CHARTER OF
THE TOWN OF RIDGWAY**

**as Adopted on July 20, 1993
as amended by "Alternative 1" also adopted on July 20, 1993**

CHARTER OF THE TOWN OF RIDGWAY, COLORADO

PREFATORY SYNOPSIS

The Ridgway, Colorado Home Rule Charter Commission was created on November 3, 1992 by the vote of the people of Ridgway, reflecting the belief that government closest to the people is the most likely to govern the best and be the most responsive to its citizens. Therefore, the Commission has drafted this Charter with the overriding intent to claim for the Town of Ridgway the greatest scope of home rule power and freedom from state mandates allowable under the Constitution.

The Commission has provided for a seven member Town Council to assume the powers of the Town with the belief that the representative form of government is the most likely to be able to efficiently and effectively govern the Town in the coming years. As a result the Charter has vested broad powers in the Council, but insures accountability to the people of the Town by imposing stringent limitations on new taxes and tax increases, providing procedures for the initiative, the referendum and the recall of officers and limiting the terms of the Councilors and Mayor to two years.

The Commission believes that the Town Manager form of government would be the most effective, but recognizes that current budgetary restraints would make it a financial burden to mandate the immediate employment of a Town Manager. The Charter gives the Council authority to implement the Town Manager System when feasible.

The Commission has tried to avoid imposing needless restrictions and "red tape" and has provided for maximum flexibility in the administration and government of the Town to allow for as efficient an operation as reasonably possible. The Commission has not mandated wholesale changes in existing ordinances in order to avoid unnecessary costs.

The Commission is aware of the pressures for growth and development currently apparent in the area and has chosen to give the Town Council broad flexibility and power to properly deal with issues related to growth and development. The Charter requires the adoption and updating of a Master Plan to insure that growth and development issues are given careful consideration.

The Commission hopes that the Charter will meet the needs of the Town, now and well into the future. The Commission believes that this Charter guarantees and vests the ultimate power of the Town in the people of the Town of Ridgway, Colorado.

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PREAMBLE

We, the People of the Town of Ridgway, Colorado, under authority granted by the Colorado Constitution do adopt and establish this Home Rule Charter.

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ARTICLE I

GENERAL PROVISIONS

- 1-1: Name. The municipal corporation now existing and known as the Town of Ridgway, Colorado, shall remain and continue to be a body politic and corporate, and a municipal corporation under the same name.
- 1-2: Powers. The Town shall have all powers which are necessary, requisite, proper or convenient for the government and administration of the Town, including all powers granted to home rule and statutory, cities or towns by the Constitution and statutes of the State of Colorado, and shall have the authority to supersede provisions of the Colorado Constitution, statutes and regulations to the maximum extent allowed by the Colorado Constitution. The enumeration herein of certain powers shall not be construed to be a limit or to deny any other right or power granted to the Town.
- 1-3: Master Plan. The Town Council shall adopt a Master Plan for the Town and update it as appropriate.
- 1-4: Miscellaneous Powers. The Town shall have the power, within or without its municipal limits, to construct, condemn, purchase, acquire, lease, maintain, operate, and dispose of all property, real, personal or otherwise, including but not limited to, water systems, sewer systems, power systems, telephone systems, transportation systems, streets, alleys, communication systems, water, ditches, water rights and appurtenances, parks, recreation facilities and all other utilities or works, and may enter into such contracts as necessary, convenient or appropriate in relation thereto.
- 1-5: Eminent Domain. In carrying out its powers and authorities, the Town shall have the power to acquire within or without its corporate limits all property, real, personal or otherwise, and any interest therein, including water rights and appurtenant structures, by the exercise of the power of eminent domain.
- 1-6: Seal. The Town Council shall provide for a Town seal.
- 1-7: Intergovernmental Relations. The Town shall have full power and authority to cooperate and contract with the United States of America, the State of Colorado and any agency,

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board, commission or political subdivision thereof, including the power to accept gifts and grants and make gifts and grants to such governmental entities for any public purpose.

- 1-8: Amendments. This Charter may be amended in the manner provided by the Colorado Constitution for amending home rule charters.
- 1-9: Titles and Headings. The article titles and headings of sections are inserted for convenience and reference only and shall not be construed to limit, describe or control the scope or intent of any provision contained therein.
- 1-10: Construction of Words. Except as otherwise specifically provided or indicated by the context, all words shall be construed so that the present tense shall include the past tense, and the past tense shall include the present tense, a singular number shall include the plural and the plural shall include the singular, masculine shall include the feminine and feminine shall include the masculine and "person" shall include any legal entity.
- 1-11: Severability. If any provision of this Charter or the application thereof to any person or circumstance is adjudged by any court of competent jurisdiction to be unconstitutional, unenforceable or invalid, such adjudication shall not affect, impair, invalidate the Charter as a whole or any remaining provision thereof which can be given effect without the invalid portion or application and to this end the provisions of this Charter are declared to be severable.
- 1-12: Code of Ethics. Unless otherwise prescribed by ordinance, the Colorado Code of Ethics, C.R.S. 24-18-101, et seq. shall apply to the Town.
- 1-13: Boundaries. The Town shall have the right to change its boundaries in any lawful manner.

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ARTICLE II

TOWN COUNCIL

2-1: Vesting of Powers. All powers of the Town shall be vested in the Town Council except as otherwise provided by this Charter or Council action. The Town Council shall consist of seven members including the Mayor.

2-2: Qualifications of Councilors and Mayor. Qualified electors of the State of Colorado who are residents of the Town of Ridgway and have resided within the Town for one year immediately preceding their election or appointment to office are eligible for nomination and service as a Councilor or Mayor. Residency within territory subsequently annexed to the Town shall count towards the residency requirements. No member of the Town Council may be an employee of the Town. A Town employee's employment with the Town shall terminate upon commencement of the term of office as Councilor or Mayor.
(Alternative 1)

2-3: Terms of Office. Councilors shall be elected for staggered two-year terms at the regular annual elections with three Councilors elected each year. A Mayor shall be elected for a two-year term. Terms of office shall commence at the first regular Council meeting following election and continue until successors are elected and qualified. The Council shall be the judge of the election and the qualifications of its members.
(Alternative 1)

2-4: Mayor and Mayor Pro Tem.
(A) The Council shall elect one of its members to serve as Mayor Pro Tem at the first regular Council meeting following each annual election. The Mayor Pro Tem shall serve a term of one year or until a successor is appointed following the next annual election. The Mayor Pro Tem may be removed at the pleasure of the Council. The Mayor shall preside at meetings of the Council and shall execute such powers and perform such duties as are conferred upon the Mayor by this Charter or Council. The Mayor shall be recognized as the head of the Town government for all ceremonial purposes, for the purposes of military law and shall have such emergency powers as provided by Council action or State law. The Mayor shall execute all deeds, contracts and other authorized documents for the Town.
(Alternative 1)

(B) In the case of a vacancy in the office of Mayor Pro Tem, the Council shall fill the vacancy for the remaining term.
(Alternative 1)

(C) In the absence or disability of the Mayor, the Mayor Pro Tem shall perform the duties of the Mayor. In the absence of both the Mayor and the Mayor Pro Tem, the

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council may appoint an acting Mayor. The acting Mayor and Mayor Pro Tem, while acting as Mayor, shall continue to vote as a Councilor.

(D) The Mayor shall not vote on any matter before the Council except in the following cases, when the Mayor shall vote.

(1) In case of a tie vote.

(2) When the Mayor's vote, if cast with the majority of members voting, would be necessary to provide for the minimum affirmative votes on any matter.

2-5: Vacancies.

(A) Vacancies on the Town Council shall be filled by the vote of a majority of the remaining members of the Council. A person appointed to the vacancy shall serve until the next regular election at which time, if another year remains to the original term, a Councilor shall be elected for a one year term. In such event the Councilors elected who received the least votes shall receive the one year terms. If the vacancy is in the office of Mayor, a Mayor shall be elected for a two year term at the next election.

(Alternative 1)

(B) A vacancy shall occur when a member of Council resigns, is recalled, is no longer a resident of the Town, no longer meets the qualifications of Section 2-2, or if a position is not filled at an election.

2-6: Compensation of Council. The Councilors and the Mayor shall receive such compensation as the Council may prescribe by ordinance. Provided however, their compensation shall not be increased nor decreased during the current term of a Councilor or Mayor. Councilors and the Mayor may be reimbursed for expenses incurred on Town business as authorized by the Council.

2-7: Oath of Office. The Mayor and each Councilor shall upon taking office file with the Town Clerk an oath or affirmation to support the Constitutions of the United States and State of Colorado and the Charter of the Town of Ridgway, and to faithfully perform the duties of Mayor or Councilor.

2-8: Recall.

(A) Members of the Town Council may be recalled in accordance with the provisions and limitations of this Section.

(B) No recall petition shall be accepted against any Councilmember until the Councilmember

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(C) A petition for recall shall be signed by a number of registered electors equal to or more in number than 25% of the entire vote cast at the last preceding regular election for all candidates to the office, divided by the number of persons elected to the office at the last preceding regular election. (Alternative 1)

(D) Except to the extent inconsistent with this Charter or procedures prescribed by ordinance, the procedures and provisions for recall as provided by Colorado Statutes applicable to municipal governing bodies shall apply to recall of the Town Council.

(E) The Town shall not reimburse any person for expenses incurred with regard to recall elections.

(F) After one recall petition and election, no further petitions shall be accepted against the same Councilmember during the term for which the Councilmember was elected unless the number of petitioners signing said petition shall equal or exceed 50% of the entire vote cast at the last preceding regular election for all candidates for the office, divided by the number of persons elected to the office at the last preceding regular election. (Alternative 1)

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ARTICLE III

COUNCIL ACTION

- 3-1: Rules of Procedure. The Town Council may provide for its own rules of procedure.
- 3-2: Meetings. Meetings of the Town Council shall be held in Town Hall. When Town Hall facilities are not available or are inadequate, the Council may designate an alternate place for such meeting and shall post notice thereof at Town Hall. Town Council shall hold at least one regular meeting a month with the date and time to be designated by ordinance. The Town Council shall provide by ordinance for the manner in which special meetings shall be called, notice of which shall be sent to all Councilmembers. Four members of the Council shall constitute a quorum to do business but a lesser number may adjourn to a definite date. All regular and special meetings of the Town Council shall be open to the public. Minutes shall be kept of all meetings. The Town Council may go into an executive session in accordance with procedures provided by ordinance.
- 3-3: Council Action. Council may act by ordinance, resolution or motion.
- 3-4: Voting. The vote of each Councilor upon every ordinance, resolution and motion shall be recorded in the minutes. Each Councilor shall be required to vote on every question unless the Councilor has disclosed a substantial personal or significant financial interest in the matter or unless the matter concerns the Councilor's own conduct.
- 3-5: Action by Ordinance. The Council may act by ordinance as it deems appropriate and shall act by ordinance when levying a tax, establishing any rule or regulation for the violation of which a penalty may be imposed or which places any restriction or limit upon the use of private property or as otherwise required by this Charter.
- 3-6: Form of Ordinance. Every ordinance shall have a title and an enacting clause which shall read "Be it ordained by the Town Council of the Town of Ridgway, Colorado".
- 3-7: Procedure for Adoption of Ordinances.
(A) The ordinance shall be introduced at any regular or special meeting of the Council and shall either be available in written form for the Council to review or shall be read in full.

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(B) The Council may amend, adopt, defeat or continue action on the ordinance but shall prior to final adoption publish the title of the ordinance together with a notice of the time and place at which adoption of the ordinance will be considered.

(C) The adoption of any ordinance shall require the affirmative vote of at least four members of the Council.

(D) Copies of the ordinance as amended or adopted shall be posted at Town Hall from the day after introduction before Council until the ordinance becomes effective or is withdrawn from consideration.

(E) The ordinance shall take effect 30 days following adoption, except for emergency ordinances which shall take effect immediately upon adoption.

(F) All ordinances shall be appropriately numbered and preserved in the official records of the Town. The adoption of the ordinance shall be authenticated by the signature of the Mayor or Mayor Pro Tem and the certificate of the Town Clerk.

3-8: Emergency Ordinances.

(A) An ordinance may be passed as an emergency ordinance when the Council determines that the ordinance is necessary to the immediate preservation of the public peace, health and safety and includes such a declaration within the ordinance and is adopted by the affirmative vote of six members of the Town Council. Emergency ordinances may be adopted without the notice required by Subsection 3-7(B).

(B) Emergency ordinances shall take effect upon adoption by the Council and shall be published by Title thereafter.

(C) No ordinance levying a tax or making a grant of a special privilege shall be passed as an emergency measure.

3-9: Enactment of Codes by Reference.

(A) Any ordinance may enact by reference, in whole or in part, any published compilations of statutes, ordinances, rules, regulations or standards adopted by the federal government, the State of Colorado or any agency or political subdivision of either.

(B) Any ordinance may also adopt by reference in whole or in part, codes and technical standards concerning buildings or structures, fire prevention, plumbing, housing, mechanical systems, electrical systems, energy conservation and similar matters published by recognized technical organizations.

(C) The Town may also provide for the codification of all ordinances of the Town of a general and permanent nature and adopt such code by reference. Amendments to the

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Town Code shall be adopted by ordinance. Such codification may make appropriate non-substantive changes and may repeal ordinances or parts thereof by omission from the Code.

(D) A certified copy of the code or other document adopted by reference shall be kept in the official records of the Town except that it shall not be necessary to keep certified copies of provisions of state or federal statutes or regulations adopted by reference.

(E) The ordinance adopting any such code, law, or publication by reference, shall be adopted in accordance with the procedures of Section 4-7 or 4-8. Copies of the adopted Code shall be posted with the adopting ordinance.

(F) Copies of such codes in published form, duly certified by the Clerk and Mayor shall be received without further proof as prima facie evidence of the provisions of such codes in all courts and administrative tribunals of the state.

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ARTICLE IV

ELECTIONS

4-1: Regular Elections. Regular municipal elections shall be held annually on the first Tuesday in April.

4-2: Nonpartisan Elections. All elections for elective positions of the Town shall be nonpartisan.

4-3: Special Elections. Special elections may be called by the Council by action taken at least 30 days in advance of the date of the election.

4-4: Election Laws. Town elections shall be governed by applicable Colorado statutes except as otherwise provided in the Charter or as Council may otherwise prescribe by ordinance.

4-5: Referred Measures. The Council may refer any ordinance or other question to the voters at an election for adoption or rejection, including questions for advisory opinions.

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ARTICLE V

ADMINISTRATION

- 5-1: Administrative Powers. The Council shall have all administrative powers and shall provide for the proper administration of the Town's affairs as it deems appropriate. The Council may delegate administrative authority and duties to individual members of the Council or it may provide for a Town Manager, Administrator and other employees or contractors as the Council determines appropriate from time to time. Council may provide for such committees and specify their duties as it deems appropriate from time to time. A full time Town Manager must be a resident of Ouray County.
- 5-2: Clerk. The Council shall designate an employee of the Town as the Town Clerk and provide for the Clerk's duties.
- 5-3: Commissions and Boards. The Town Council may create such commissions and boards as it deems appropriate and specify their duties, terms and responsibilities. The Council shall provide for the appointment of a Planning Commission which shall have the responsibility to make recommendations to the Town Council in matters related to planning, zoning, land use regulation, development and environmental review and protection and which shall perform such additional duties as the Town Council may prescribe.
- 5-4: Regulations. The Town Council shall have authority to prescribe all ordinances, rules and regulations as appropriate for the proper administration of the Town.
- 5-5: Bonds. The Town Council may require any officer or employee to obtain and file with the Town a fidelity bond or other bonds and insurance in amounts to be determined by the Council at the expense of the Town.
- 5-6: Town Attorney. The Town Council shall appoint a Town Attorney who shall perform legal services for the Council and Town. The Town Attorney shall serve at the pleasure of the Council.

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ARTICLE VI

INITIATIVE AND REFERENDUM

6-1: General Authority.

(A) Initiative. The registered electors of the Town shall have power to propose any ordinance to the Council, in accordance with the provisions of this Article.

(B) Referendum. The registered electors of the Town shall have power to require reconsideration by the Council of any ordinance in accordance with the procedures of this Article except emergency ordinances or ordinances dealing with administrative matters, including but not limited to, budgets, appropriations, calling elections, employee salaries, contractual obligations and payments of bills.

6-2: Petitioner's Committee. Any three registered electors of the Town may commence initiative or referendum proceedings by filing with the Town Clerk an affidavit stating that they will constitute the petitioner's committee, will circulate the petition and file it in proper form, and further stating their names, street addresses, the address to which all notices to the committee are to be sent, and setting out in full the proposed initiative ordinance or citing the ordinance sought to be reconsidered.

Promptly after the affidavit of the petitioner's committee is filed, the Clerk shall issue the appropriate petition forms to the petitioner's committee.

6-3: Petitions.

(A) Number of Signatures. Initiative petitions must be signed by registered electors of the Town equal in number to at least 15 percent of the total number of registered electors in Town as of the date the petition forms are issued by the Clerk. Referendum petitions must be signed by registered electors of the Town equal in number to at least 10 percent of the total number of registered electors as of the date the petition forms are issued by the Clerk.

(B) Form and Content. All pages of a petition shall be uniform in size and style and shall be assembled as one instrument for filing. Each signature shall be executed in ink or indelible pencil and shall be followed by the address of the person signing. Petitions shall contain or have attached thereto throughout their circulation the full text of the ordinance proposed or sought to be reconsidered.

(C) Reading of Ordinance. The Circulator shall require every person signing the petition to read it and the ordinance in question in full prior to signing.

(D) Affidavit of Circulator. Each page of a petition shall have attached to it, when filed, an affidavit of the circulator stating that the Circulator personally circulated the

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petition, the number of signatures thereon, that all the signatures were affixed in the Circulator's presence, that the Circulator believes them to be the genuine signatures of the persons whose names they purport to be and that each signer read the full text of the ordinance proposed or sought to be reconsidered prior to signing the petition.

(E) Time for Filing Referendum Petitions. A referendum petition complying with the requirements of this Article must be filed within thirty days after adoption by the Council of the ordinance sought to be reconsidered or it shall be of no effect.

- 6-4: Review of Petition. Within five working days after the petition is filed, the Town Clerk shall issue a decision as to its sufficiency, specifying, if it is insufficient, the particulars wherein it is defective and shall promptly send a copy of the decision by U.S. mail to the petitioners' committee and return the petition. A petition with an inadequate number of signatures may be refiled once with additional signatures but must be filed within the time limit of Section 6-3(E).
- 6-5: Suspension of Ordinance. When a referendum petition is filed with the Town Clerk, the ordinance sought to be reconsidered shall be suspended from taking effect. Such suspension shall terminate upon the occurrence of any of the following events:
- (1) a determination of insufficiency of the petition;
 - (2) withdrawal of the petition by the petitioners' committee;
 - (3) repeal of the ordinance by the Council; or
 - (4) upon certification of a favorable vote on the ordinance.
- 6-6: Council Action on Petitions. When an initiative or referendum petition has been finally determined sufficient, the Council shall promptly consider the adoption of the initiated or repeal of the reconsidered ordinance. If the Council fails to adopt a proposed initiative ordinance without any change in substance within 60 days or fails to repeal the referred ordinance within 60 days after the date the petition was determined sufficient, it shall submit the proposed or referred ordinance to the voters of the Town at a regular or special election within 120 days, or as otherwise required by the Colorado Constitution.
- 6-7: Amendment and Repeal. An ordinance adopted by the electorate may not be amended or repealed by the Town Council for a period of six months after the date of the election at which it was adopted, and an ordinance repealed by the electorate may not be reenacted by the Town Council for a period of six months after the date of the election at which it was repealed, but such ordinances may be adopted, amended or repealed at any time by the voters.
- 6-8: Additional Procedures. The Town Council may by ordinance prescribe additional procedures as necessary or appropriate for the initiative or referendum process.

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ARTICLE VII

MUNICIPAL COURT

- 7-1: Establishment of Municipal Court. There is hereby established a Municipal Court for the Town of Ridgway, which shall have jurisdiction over all matters arising under the Charter, ordinances and regulations of the Town. Municipal Court shall be held in a location within Ouray County approved by the Town Council.
- 7-2: Municipal Judge. The Town Council shall appoint a Municipal Judge for an indefinite term to serve at the pleasure of the Town Council. Said Judge may be removed with or without cause by the vote of four members of the Town Council at any time. The Town Council may appoint additional assistant or acting municipal judges as deemed appropriate from time to time. Municipal judges shall be licensed to practice law in Colorado. Municipal Judges shall be compensated on a basis established by the Town Council provided that compensation shall not be based directly on the number of cases handled or heard by the Judge.
- 7-3: Municipal Court Clerk. The Town Council may designate a person to perform the duties of Municipal Court Clerk and provide for such compensation as deemed appropriate by the Council.
- 7-4: Powers of Municipal Judge. The Municipal Judge shall have all judicial powers relating to the operation of the Municipal Court to the extent not inconsistent with this Charter or Town ordinances.
- 7-5: Penalties. The Town Council shall prescribe by ordinance fines, jail sentences and other penalties for violation of Town ordinances and regulations. Except as necessary to comply with federal or state law, a fine for a single violation shall not exceed \$1,000 and a jail sentence for a single violation shall not exceed one year.

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ARTICLE VIII

UTILITIES, FRANCHISES, TOWN PROPERTY

8-1: Town Streets, Alleys and Property. The Town shall have full authority, power and control over all Town streets, alleys, rights-of-way, easements and other Town owned property including but not limited to all power and authority to regulate, operate, use, maintain, establish, repair, replace, vacate, purchase, sell and lease such property.

8-2: Public Utility Franchises.

(A) No public utility including but not limited to those providing water, sewer, cable TV, electrical power, telephone, telegraph, telecommunications or natural gas, may use or occupy the streets, alleys and other property of the Town without obtaining a utility franchise or permit authorized by an ordinance adopted by the Town Council.

(B) All franchise and utility permits shall be non-exclusive and shall not have a term longer than 15 years.

(C) The Town shall have the power and authority within or without the Town to construct, condemn, purchase, acquire, lease, operate and maintain its own utilities, assets, equipment and everything in relation or in connection therewith and every utility franchise or permit granted by the Town shall be subject to the reserved right of the Town to acquire such utility by eminent domain.

(D) All public utilities shall remain subject to the police power of the Town notwithstanding anything to the contrary in the franchise or permit.

8-3: Town Utilities.

(A) The Town Council shall set rates for services provided by Town utilities by ordinance.

(B) Town utilities may be operated as an enterprise or enterprise fund by the Town.

(C) Any right, privilege, permit or contract granted by the Town giving any right, permission or privilege to use Town water, the Town water system or Town sewer system shall always be subject to the most comprehensive oversight, control and management by the Town and such control is retained and reserved by the Town to insure that nothing can be done which would interfere with the successful long-term operation of the Town's water or sewer systems or impair such systems for the benefit of the people of the Town.

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ARTICLE IX

FINANCE

- 9-1: Fiscal Year. The fiscal year of the Town shall be the calendar year.
- 9-2: Contracts. Except as otherwise prescribed by the Town Council, the Town Council shall approve all contracts for the Town. All employment or personal service contracts shall either terminate in one year or less or be terminable for the Town's convenience.
- 9-3: Funds and Accounts. The Town Council may establish such funds and accounts as necessary or convenient for the Town. Funds and accounts may be established by ordinance, resolution or by the annual budget.
- 9-4: Budget.
- (A) The Town Council shall cause the preparation of a proposed annual budget by the first regular Council meeting in October of each year for the next fiscal year.
 - (B) The budget shall contain at a minimum the following information:
 - (1) Detailed revenues, expenditures and balances for each fund and account for
 - (a) the prior fiscal year,
 - (b) the adopted budget for the current fiscal year,
 - (c) the estimated actual revenues and expenditures for the current year and
 - (d) the budget year.
 - (2) Prior to the adoption of the budget, a public hearing shall be held, notice of which shall be posted and published once in a newspaper of general circulation within the Town at least 15 days prior to the hearing.
 - (3) Prior to adoption of the budget, the Council may amend the proposed budget as appropriate.
 - (4) The budgeted expenditures shall be balanced by budgeted revenues, which may include fund balances and reserves.
 - (5) The Council shall adopt the budget by the minimum vote of 4 members of Council by resolution prior to December 15. Adoption of the budget shall constitute the appropriation of the budgeted expenditures by fund.

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9-5: Adoption of Property Tax Levy. The Town Council shall adopt the property tax levy each year in time to have it certified to Ouray County for collection. If the Town Council should fail to make such levy, the rate last fixed shall be the rate for the next ensuing fiscal year and shall be levied according to law.

9-6: Budget Control.

(A) The Council shall require monthly reports to be prepared for review by the Council showing the relation between budgeted expenditures and revenues, and the year's actual expenditures and revenues to date.

(B) If it appears that revenues may be less than anticipated, the Council may reduce appropriations and amend the budget as necessary to avoid expenditures exceeding revenues.

(C) During the year the Council may make supplemental appropriations by resolution provided that revenues are available from unanticipated revenues, unappropriated fund balances, reserves, emergency reserves or other sources for such purpose.

(D) The Council may authorize unappropriated fund balances, unencumbered appropriation b

(E) All supplemental appropriations, reduced appropriations or transfers shall be accomplished by a resolution approved by a minimum of 4 members of the Town Council.

(F) Annual expenditures shall not exceed appropriations on a fund basis.

9-7: Audit. The Council shall provide for an annual independent audit of the Town's financial condition and may provide for more frequent audits as determined appropriate. The annual audit shall be made by a qualified, certified public accountant.

9-8: Accounting Principles. Except as otherwise provided by this Charter or Town ordinances, the Town shall comply with generally accepted accounting principles for municipalities.

9-9: Deposits and Investments. The Town may deposit and invest its money until such time as it is required to be expended, in any bank, depository, savings and loan, financial

institution, investment or security authorized by Colorado statutes for the state or local governments or any agency or political subdivision thereof. The Town or any fund,

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district or authority thereof may invest in the bonds or other securities of the Town or any fund, district or authority thereof.

9-10: Taxes.

(A) All taxes of the Town shall be enacted by an ordinance.

(B) (1) The following limitations of this Subsection "B" shall apply only in the event that the limitations on taxes, tax increases, mill levies and property tax revenues in Article 10, Section XX of the Colorado Constitution should become inapplicable to the Town.

(2) No new tax shall be enacted unless approved by a vote of the Town's electors.

(3) The rate of any existing tax, not including the property tax mill levy, shall not be increased without a vote of the Town's electors. This shall not restrict increases in revenues due to taxes at existing rates.

(4) (a) The property tax mill levy shall be limited each year to avoid producing revenue, when applied to the assessed valuation of the Town, greater than an amount of revenue equal to that levied in the preceding year plus inflation; except to provide for the payment of bonds and interest thereon, or the payment of any contractual obligation, which have been approved by the voters.

(b) In computing this limit, the following shall be excluded:

(i) increased valuation for assessment attributable to annexation or inclusion of additional land, the improvements thereon and personal property connected therewith for the preceding year;

(ii) the increased valuation for assessment attributable to new construction and personal property connected therewith for the preceding year;

(iii) the increased valuation for assessment attributable to increased volume and production for the preceding year by a producing mine;

(iv) the increased valuation for assessment attributable to previously legally exempt property which becomes taxable;

(c) "Inflation", as used above, shall be equal to the percentage change in the United States Bureau of Labor Statistics, Consumer Price Index for Denver - Boulder, all items, all urban consumers, or its successor index, for the most recent four quarters for which the index is available when the mill levy is set.

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9-11: Capital Improvements Plan.

(A) The Town Council shall provide for the development and adoption of a capital improvements plan each year.

(B) The plan shall be developed and adopted each year in time to be considered in the preparation and adoption of the Town's annual budget.

(C) The plan shall at a minimum include significant capital improvement projects, planned or proposed, for the next five years, including estimated costs and sources of revenue proposed to finance such improvements.

(D) Such plan shall be utilized by the Council as a guide in drafting and adopting the annual budg

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ARTICLE X

BORROWING

- 10-1: Borrowing Authorized. The Town may borrow money by execution of any appropriate or convenient obligation, security or instrument, including but not limited to, short and long term notes, mortgages, bonds, revenue bonds, refunding bonds, improvement district bonds, warrants, tax anticipation warrants, revenue anticipation warrants, purchase money mortgages, lease purchase agreements and loan agreements. All borrowing shall be subject to the limitations of this Charter and any provisions prescribed by ordinance.
- 10-2: Requirements for Borrowing.
- (A) Any borrowing which does not need to be repaid in less than one year, shall be authorized by ordinance.
- (B) Any general obligation debt pledging the full faith and credit of the Town shall require the approval of the Town's electors at an election, except for such obligations issued for water or sewer system purposes or for refunding such general obligation debt.
- (C) Other borrowing shall not require an election, including loans secured by a pledge of a special fund or revenues, sales tax revenue, utility and enterprise revenues, project revenues, revenues from any Town imposed fees, assessments, charges or taxes, improvement district assessments or revenues received from other governmental entities or any combination thereof, so long as no portion of the general ad valorem property tax is pledged to the repayment of such securities.
- 10-3: Issuance of Revenue Bonds. Any Town owned business, enterprise or enterprise fund shall be authorized to issue its own revenue bonds or such bonds may be issued on behalf of such business, enterprise or enterprise fund in the name of the Town. The Town Council shall remain the governing body and act in accordance with the requirements of this Charter and applicable ordinances with respect to the administration of such business, enterprise or enterprise fund and the issuance of any revenue bonds therefore, except as may otherwise be prescribed by ordinance.
- 10-4: Refunding Securities. The Town may issue bonds or other securities for the purpose of refunding or providing for the payment of outstanding bonds and other securities on such terms and conditions as may be determined by the Town Council. The proceeds of refunding bonds or securities of the Town may be invested in securities other than direct obligations of the United States or its agencies.
- 10-5: Lease Purchase Obligations. The Town may, without an election, acquire real or personal property for any public purpose by entering into rental or lease purchase

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agreements, limited to a period not exceeding the useful life of the property acquired. Lease property may be mortgaged or assigned, all or in part, during the term of the lease. Lease purchase obligations shall not create multi-fiscal year debt of the Town provided such leases are subject to annual appropriation.

- 10-6: Terms and Conditions. The terms and conditions of any loan instrument including redemption features, interest rate, maturity date and sale price shall be determined by the Town Council.
- 10-7: General Obligation Debt Limitation. The issuance of general obligation debts shall be limited so that the time of the issuance of debt the aggregate general obligation debt of the Town excluding such debt for water and sewer system purposes does not exceed 3% of the actual value of all taxable real and personal property in the Town, as determined by the Ouray County Assessor.
- 10-8: Review of Proceedings. No action or proceeding at law or in equity to review or question the validity of any acts or proceedings, to enjoin the performance, issue or collection of any securities, or the levy or collection of any assessments, or for any other relief against any acts or proceedings of the Town done under this Article, shall be maintained against the Town unless commenced within 30 days after the performance of the act or the effective date of the ordinance or other action authorizing borrowing the money, or shall thereafter be forever barred.

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ARTICLE XI

IMPROVEMENTS, DISTRICTS, AUTHORITIES AND ASSESSMENTS

11-1: Authorization.

(A) The Town shall have the power to create local improvement districts, general improvement districts, special taxing districts, urban renewal authorities, housing authorities and other special districts and authorities as authorized by Colorado statutes for municipalities within or without or partly within or without the Town.

(B) The Town shall also have the power to create districts and authorities similar to those referred to in paragraph (A) above pursuant to provisions prescribed by ordinance subject to the provisions of the Charter.

(C) The costs of constructing, installing or acquiring public, local or municipal improvements of every kind and character may be assessed in whole or in part upon the property benefited by such improvements by the Town.

(D) Money may be borrowed to finance the construction, installation or acquisition of such improvements by borrowing money as provided for in Article X of this Charter including securities secured by a pledge of assessments against the benefited property in the District. Such obligations shall not require a vote of the electorate unless they create a general obligation debt.

(E) The Town may also pay for such improvements out of monies available therefore from any appropriate fund or source and provide for repayment to the appropriate fund from collection of the assessments.

(F) The Town may also redeem or prepay improvement district securities at any time funds are available to do so and assign the assessments as collected to an appropriate fund of the Town.

11-2: Public Hearing. Prior to the creation of any district with separate taxing powers or which is intended to assess the costs of improvements against the property within the district, a hearing shall be held with reasonable notice to the owners of record subject to the proposed assessments or within the district.

11-3: Review of Improvement District Proceedings. No action or proceeding at law or in equity to review or question the validity of any acts or proceedings, to enjoin the issuance or payment of any securities or levy or collection of assessments authorized by this Article or for any relief against any acts or proceedings of the Town done under this Article shall be maintained against the Town unless commenced within 30 days after the performance of such act or the effective date of the ordinance or resolution complained of, or else be thereafter forever barred.

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ARTICLE XII

EFFECTIVE DATE AND TRANSITION PROVISIONS

- 12-1: Effective Date. This Charter shall be effective upon adoption by the voters.
- 12-2: Existing Ordinances and Regulations. All ordinances, resolutions, rules and other regulations of the Town consistent with this Charter which are in effect as of the effective date of this Charter shall continue in full force and effect until repealed or amended. Any provision inconsistent with this Charter is hereby superseded and the Town Council shall proceed with due diligence after the adoption of this Charter to make the necessary amendments or repeals to bring Town ordinances of a general and permanent nature into consistency with this Charter.
- 12-3: Officers and Employees. The adoption of this Charter shall not affect the status of any officers and employees currently under contract or employment by the Town. However, the Town Marshal, Town Clerk, Town Treasurer and Town Attorney shall no longer be considered officers of the Town, but shall be considered as employees or independent contractors as the case may be.
- 12-4: Board of Trustees - Town Council. The Mayor and Trustees of the Board of Trustees in office upon the effective date of this Charter shall thereafter become the Mayor and Councilors of the Town Council and shall serve as such for the remainder of the term for which they were elected. Upon the expiration of those terms Councilmembers shall be elected as provided in this Charter. All references to the Board of Trustees in any ordinance, resolution or regulation, contract or other documents shall be construed to include the Town Council after the effective date of this Charter. At the 1994 regular election three Councilors shall be elected for one year terms and the other Councilors elected shall receive two year terms. The Councilors who receive the most votes shall receive the two year terms.
- 12-5: Contracts. The adoption of this Charter shall not be interpreted to affect any contract previously entered into by the Town.
- 12-6: Council Compensation. Effective on the first day of the month following the effective date of this Charter, the Mayor shall be paid the amount of \$100 per month and Councilors shall be paid the amount of \$50 per month until such amounts are changed by ordinance adopted pursuant to Section 2-6 of this Charter.

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- 12-7: Existing Franchises. Franchises and utility permits in effect upon the effective date of this Charter shall remain in full force and effect for the remainder of their terms.
- 12-8: Savings Clause. The adoption of this Charter shall not be construed, except as specifically provided herein, to affect any offense or act committed, any penalty incurred or any contract, right or duty established or accruing before the effective date of this Charter.