



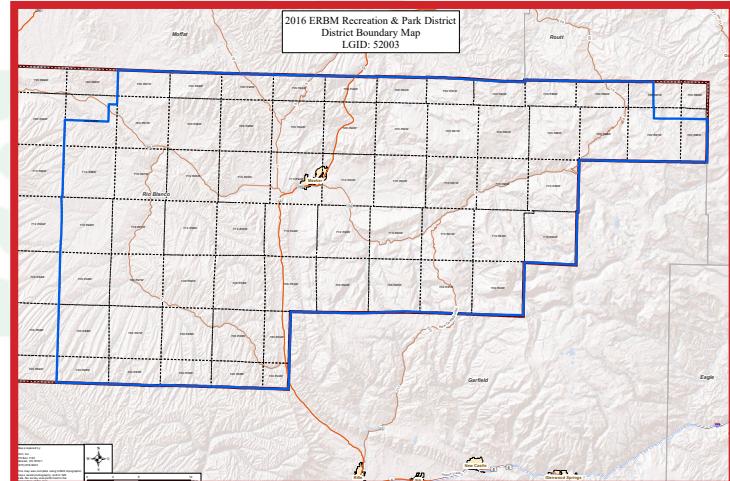
Dear valued community member,

Thank you for your interest and involvement with ERBM programs and services. Outlined on the next few pages of this Line-Up are some common questions that we have received and would like to answer appropriately. Feel free to review the following information regarding ERBM's financial background and please contact our administrative offices with any further questions.

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How is ERBM Recreation and Park District funded?

In 2005, prior to construction of the Meeker Recreation Center, local voters approved the current general operations tax levy on assessed valuation of property within ERBM's boundaries, bringing the district's total levy rate to 5.699 mills (1 mill = \$1 dollar per \$1,000 dollars of assessed value). These annual tax revenues have amounted to anywhere between \$3-\$5 million in recent years, which makes it possible to care for and improve the many park and recreation amenities throughout Meeker. Less than 1% of the district's overall budget is generated from participant/usage fees. By state statute, agriculturally zoned parcels over 40 acres are not included in the district's tax base.



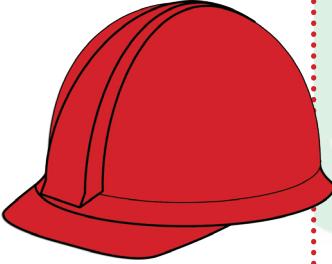
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Why does ERBM maintain such a large reserve fund balance (over \$9.5 million as of 2018 year-end)?

Like many local tax funded entities, ERBM has benefited from past years of high total property valuation in the county and been able to operate with a year-end surplus which has increased the district's reserve fund balance. The following are some rationale for why the district continues to maintain a conservative approach to the stewardship of these resources.

1. The nature of the local economic climate requires a conservative and strategic long term planning approach as tax funded entities cannot assume consistent growth in property valuation, rather positive and negative swings in valuation on a regular basis are normal.
2. Expressed public interest through major outreach and planning efforts indicates future project desires by the community will exceed existing fund balance reserve resources. In order to undertake additional expansion of facilities and/or services in a responsive and responsible manner, existing outlay of funds will need to be utilized according to established fiscal policies.
3. Significant expansion of ERBM services over the last 10 years (i.e. town parks operations and maintenance, trail system expansion, park projects, events, programs, partnerships/sponsorships, marketing, etc.), without reciprocal increases in tax levy or participant fees, have all increased the district's ongoing bottom line fixed expenses.
4. Maintaining an aging infrastructure requires ongoing investment. Replacement, repair, and maintenance expenses for basic infrastructure and critical equipment (lighting, asphalt, concrete, HVAC systems, vehicles, mowers, treadmills, etc.) continues to increase.

Q Why has ERBM undertaken such big capital expenditures over the past several years?



ERBM launched a significant public outreach and community feedback campaign in 2011, culminating in a 2012 master plan adoption which outlines many of the projects that have been accomplished over the past 6+ years. The district has addressed specific needs expressed in this plan, including: trail system expansion, Sanderson Hills Park, Paintbrush Park and Town Park expansion projects, improvement of smaller parks, etc. Even with these many improvements, ERBM has been fortunate to consistently outperform projected revenues and underspend projected expenses allowing for continued reinvestment in accordance with outlined Master Plan objectives. Since 2008, ERBM has only spent fund balance reserves one year (2017- due to significant Town Park expansion project- \$1.5 million). The ERBM Master Plan is available on the ERBM website and continues to provide guidance to the ERBM Board of Directors and staff on the direction of capital planning efforts.

Q Why is so much of ERBM's annual operations budget wrapped up in personnel costs?

ERBM's tremendous staff makes the district a vital asset to our community. ERBM's Board of Directors has maintained a consistent commitment to being an employer of choice, which means offering competitive compensation and benefits to its employees. The district has implemented several cost saving measures via changes in staffing structures and employee benefits, which have maintained overall personnel costs over the last four years. As with any quality organization, ERBM is only as good as its people, and costs associated with providing appropriate staffing in all operational areas continue to increase. Several compounding factors account for overall rising personnel costs, including exploding health care premiums, expansion of services (i.e. town park operations and maintenance), rising minimum wage mandates, and lack of consistent part-time labor.

Q What steps have been taken to ensure ERBM is financially viable for the future?

By resolution the ERBM Board has established parameters for managing and investing the District's fund balance components in order to maintain adequate financial resources to sustain District operations and to protect against unforeseen circumstances and events, such as revenue shortfalls and unanticipated expenditures. The four major ERBM reserve fund balance components and corresponding policy commitments break down as follows:

1. Restricted- Portion that is NOT available for general operations and/or is limited to use for specific purpose due to pertinent laws and regulations. This includes items such as: statutorily required emergency funds, long term pension liability, project specific grant awards, etc.
2. Committed- Portion that is committed by the Board for a specific purpose pursuant to formal action. By policy, this fund balance component consists of an "Annual Operating Reserve" equivalent to one year's annual operations (approximately \$3.5-million) which is invested to maximize interest income and steward district resources over the long term.
3. Assigned- Portion assigned for specific purpose by the board that is not restricted or committed, which typically consists of the District's annual operating and capital budgets, and the operational cash flow necessary to conduct regular business.
4. Unassigned- Portion that represents residual positive resources to be considered for allocation. By policy, this fund balance component cannot account for more than half of remaining fund balance reserves after all other fund balance components (restricted, committed, reserve) are accounted for, thus requiring the district to be more collaborative and creative in how it funds major capital projects. For instance, the district has recently pursued, and successfully obtained, public and private partner funding through grants and donations to supplement new capital expenditure costs.

Q Does ERBM contribute to other organizations in the community?

ERBM is proud to give and receive support through many ongoing collaborative efforts, including:

- Meeker Arts and Culture Council
cash sponsorship and programming partnership
- Meeker Classic
Sheepdog event sponsorship
- Range Call
annual sponsorship, programming and logistical support
- Mountain Valley Bank
Fall Festival community wide non-profit support
- Colorado River Valley Little League
scholarship toward Meeker youth participation
- Rio Blanco Golf Association
operational subsidy and programming support
- Meeker School District
extensive reciprocal services: facility usage, support groups, sports clinics, safety trainings; \$400k contribution toward High School Track Renovation project
- Meeker Chamber of Commerce
downtown beautification program and event support
- RBC Sportsman's Club
Hunter Safety range donations and event support
- BLM White River Field Office
trails projects, hikes, race coordination, shared maintenance
- Colorado Parks & Wildlife Regional Office
Hunter Education, fishing events, Circle Park Pond project
- Town of Meeker
operational lease of town parks, collaboration on improvement projects
- Rio Blanco County
equipment sharing, facility usage
- Rio Blanco Historic Society
programming partnership
- Lion's Club
programming partnership



Q Does ERBM contribute to the local private business community?

ERBM regularly invests back into our local economy through local spending. Within the last few years more than \$1-million dollars in operational spending has gone directly to our great business community right here in Meeker, including general contractors, electricians, excavators, hardware stores, newspaper, restaurants and grocery store, auto parts stores and dealership, and countless other specialty contractors and vendors. Additionally, ERBM is pleased to offer significantly reduced admission rates at the Meeker Recreation Center to many of our local non-profit and private businesses.

Q How much does it really cost to provide various programs/services?

There are direct and indirect costs associated with every program and/or service that the district offers.

Direct costs: program specific equipment, materials, supplies, staffing, etc.

Indirect costs: maintenance, utilities, insurance, information technology, marketing, etc.

Currently, ERBM's participant/usage fees are assessed to recover only a percentage of the direct costs (this is referred to as cost recovery percentage). For instance, a program that has a direct cost of \$20 per participant and is subsidized at 75% (or \$15 per participant) by the district, will have a 25% cost recovery fee (or \$5) assessed to the participant. The ERBM Recreation and Park District operates at a very low overall cost recovery percentage in order to provide programs and services to the community at the most affordable level possible, while also remaining responsive to ever changing and increasing community interests and trends. Those programs that provide the broadest community impact, such as special events, parks, drop-in programs, etc. are funded entirely by the district with little to no cost recovery. Other more formal programs and services that provide a narrower impact to only an individual or small number of participants are operated at a shared cost by the participant and the district and are evaluated on a regular basis.

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Who decides ERBM fees and why have some fees changed?

Many program and service fees are adjusted annually based on approved cost recovery percentages established by the ERBM Board. ERBM has not increased recreation center usage fees since opening in 2008. In that time, there have been several increases in the costs associated with providing quality programs and services. As a community, we expect good value from our local parks and recreation system in return for the taxes and fees collected. As a district it is our constant aim to exceed these expectations. Setting cost recovery goals that take into consideration the Meeker community specifically, align with other similar community recreation and park providers, and assessing appropriate fees to recover necessary costs, helps to avoid impactful service reductions and steers the district towards long term fiscal stability.

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Are there scholarship/reduced rate/ discount programs available?

Yes. ERBM recognizes that not all members of the community have the same ability to pay for the recreation and leisure opportunities offered through the district. The district has established scholarship and reduced rate programs which invites individuals who qualify for hardship assistance to apply through a simple application process. Additionally, ERBM has adopted ongoing discount programs for active and veteran military, emergency service personnel and families, all active adults over the age of 55, free membership for 75+, and offers 50% off annual memberships each year in January to all patrons.

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As a taxpayer how do I benefit from ERBM if I never use the recreation center or parks?

In addition to the inherent conservation, health, fitness, social and emotional wellness benefits, there are well-documented positive impacts to our state and local economy that public parks and recreation provide. Here in Meeker, ERBM has been investing into our community's park and recreation amenities, programs, and services for the past 35+ years. These contributions come in the form of indirect impacts through the dollars spent by park/ event visitors, increased private real estate property values, as well as through the direct contributions of job creation and spending from our local employees and contractors. With Meeker's park and recreation system we all benefit from improved health, which leads to lower health care costs, a closer connection to nature, and an overall boost in our standard of living.

For more information on any of ERBM's financial background including Fiscal Policies, comprehensive annual report, strategic and master planning documents, annual budget, and more, please see all resources available online at ERBMrec.com, stop by the district's administrative offices, or visit a regular monthly board meeting.

Kind regards,



Sean VonRoenn
ERBM Executive Director

Fiscal Year	2010	2011	2012	2013	2014	2015	2016	2017	2018
Beginning Fund Balance	\$483,484	\$2,323,000	\$4,745,000	\$6,541,413	\$7,755,920	\$9,354,667	\$9,819,564	\$10,472,390	\$9,435,000
Personnel	\$1,097,500	\$1,190,000	\$1,400,800	\$1,811,421	\$2,226,500	\$2,606,000	\$2,534,000	\$2,469,400	\$2,581,100
Operations	\$1,485,000	\$1,325,000	\$1,477,380	\$1,090,709	\$1,669,500	\$1,421,000	\$1,241,750	\$1,195,600	\$1,141,800
Total Operations & Personnel Budgeted	\$2,582,500	\$2,515,000	\$2,878,180	\$2,902,130	\$3,896,000	\$4,027,000	\$3,775,750	\$3,665,000	\$3,722,900
Total CIP Budgeted	\$533,000	\$475,000	\$1,588,180	\$1,303,195	\$2,409,000	\$499,000	\$1,814,000	\$1,721,000	\$580,000
Total All BUDGETED Expenses	\$3,116,000	\$2,990,000	\$4,466,360	\$4,205,325	\$6,305,000	\$4,526,000	\$5,589,750	\$5,384,000	\$4,302,900
Total All ACTUAL Expenses	\$2,080,000	\$2,248,000	\$3,397,258	\$4,138,012	\$3,055,212	\$3,714,632	\$4,067,746	\$4,955,000	\$3,664,000
Actuals Over (Under) Budgeted	(\$1,035,000)	(\$742,400)	(\$1,069,102)	(\$67,313)	(\$3,249,799)	(\$811,368)	(\$1,522,004)	(\$429,000)	(\$638,900)
REVENUE									
District Taxes- Mill Levied	\$3,327,000	\$4,160,000	\$4,821,205	\$5,017,605	\$4,310,000	\$1,600,000	\$4,274,000	\$3,352,000	\$3,162,020
Other Revenue	\$328,000	\$412,000	\$380,963	\$318,649	\$265,100	\$2,597,100	\$342,000	\$413,000	\$686,500
Total All BUDGETED Revenues	\$3,655,000	\$4,572,000	\$5,202,168	\$5,336,254	\$4,575,100	\$4,197,100	\$4,616,000	\$3,765,000	\$3,849,000
Total All ACTUAL Revenues	\$3,703,700	\$4,672,000	\$5,194,160	\$5,352,519	\$4,653,959	\$4,179,529	\$4,720,572	\$3,918,000	\$3,940,000
Actuals Over (Under) Budgeted	\$48,700	\$100,000	(\$8,008)	\$16,265	\$78,859	(\$17,571)	\$104,572	\$153,000	\$91,000
Ending Fund Balance	\$2,323,000	\$4,745,000	\$6,541,413	\$7,755,920	\$9,354,667	\$9,818,564	\$10,472,390	\$9,435,000	\$9,711,000
Net Fund Balance Increase (Decrease)	\$1,839,516	\$2,422,000	\$1,796,413	\$1,214,507	\$1,598,747	\$464,897	\$653,826	(\$1,037,390)	\$276,000
									Unaudited Actuals