



## MEMORANDUM

TO: Mayor Jones and Members of the Board

FROM: Karen Proctor, Town Administrator

DATE: January 21, 2021

RE: Road Maintenance Fund

### DISCUSSION:

The Town of Foxfield budgets approximately fifty-thousand dollars (\$50,000) annually for crack seal/patch road maintenance and approximately one-million dollars (\$1,000,000) is budgeted over a three-year period to chip seal the roads on average every 7 years. Currently, road maintenance is budgeted and paid for from the General Fund.

The Board has suggested the creation of a new fund for Road Maintenance. Staff spoke with the Town's auditor who stated that accounting rules only allow for the creation of a new fund in the financial statements when required by outside the Town, for example the Conservation Trust Fund and the Open Space Fund.

However, there are some options the Board could consider. A separate road maintenance fund could be created for internal record keeping purposes but would be combined as part of the General Fund for the year-end audited financial statements. If this option is the desire of the Board, a dedicated revenue stream would need to be identified for this fund. One suggestion was to use the sales tax from the Village Center businesses which averages approximately \$17,000/month or \$200,000/annually. A similar revenue stream that could also be considered would be use tax which the Town receives, approximately \$168,000 annually.

Another option, used by other Cities and Towns, is to "commit" fund balance for Road Maintenance as allowed by Governmental Accounting Standards Board Statement 54. This is done with a Resolution. Note 1: Summary of Significant Accounting Policies, to the financial statements states that "this classification includes amounts that can be used only for specific purposes pursuant to constraints imposed by formal action of the Town's Board of Trustees. These amounts cannot be used for any other purpose unless the Board of Trustees removes or changes the specified use by taking the same type of action (Resolution) that was employed

when the funds were committed.” Attached are two examples of Resolutions to Commit Fund Balance.

**ATTACHMENTS:**

**Exhibit A:** City of Centennial, Colorado Resolution 2020-R-49

**Exhibit B:** City of Fruita, Colorado Resolution 2015-02

**CITY OF CENTENNIAL,  
COLORADO**

**RESOLUTION NO. 2020-R-49**

**A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF  
CENTENNIAL, COLORADO ADOPTING THE CITY OF CENTENNIAL  
2021 PROPOSED BUDGET AND APPROPRIATING SUMS OF MONEY**

WHEREAS, pursuant to Section 11.5 of the Centennial Home Rule Charter and Section 2-2-130(b)(3) of the Centennial Municipal Code, the City Manager of the City of Centennial shall cause to be prepared and shall submit to the Council the annual City budget; and

WHEREAS, the City is authorized by Section 11.13 of its Home Rule Charter and Section 29-1-108, C.R.S., to establish its annual budget and to make transfers and appropriations of budgeted funds; and

WHEREAS, the City Manager prepared and submitted a proposed budget for Fiscal Year 2021 (“2021 Budget”) to the City Council for the Council’s consideration in accordance with the Home Rule Charter for the City of Centennial and applicable law; and

WHEREAS, the 2021 Budget remains in balance, as required by the Colorado State Budget Law (Section 29-1-103, C.R.S.) and the Home Rule Charter; and

WHEREAS, upon due and proper notice, published in accordance with Section 29-1-106, C.R.S., the 2021 Budget was open for inspection by the public at the Centennial Civic Center, 13133 East Arapahoe Road, Centennial, Colorado, and a public hearing was held on November 2, 2020, at the City of Centennial Civic Center, 13133 East Arapahoe Road, Centennial, Colorado; and

WHEREAS, interested citizens of the City were given the opportunity to file or register any objections to the 2021 Budget; and

WHEREAS, the City Manager shall present a separate resolution to the City Council for its consideration prior to any applicable deadline for setting of a mill levy in accordance with law.

NOW, THEREFORE, BE IT RESOLVED by the City Council of the City of Centennial:

**Section 1.     2021 Budget.**

- A.     The 2021 Budget for the City of Centennial as presented to the City Council is hereby approved and adopted and shall be known as the 2021 Budget for the City. The 2021 Budget is incorporated into this Resolution as if set out in full. Attached to this

Resolution as Exhibit A is an “All City Funds Summary” summarizing the 2021 Budget financial resources, financial uses, and funds available for the City. Copies of the 2021 Budget shall be made available for public inspection upon request in the office of the City of Centennial City Clerk.

- B. Reserves have been or are hereby established in order to meet the requirement for emergency reserves required under Article X, Section 20 of the Colorado Constitution (“TABOR”).
- C. The 2021 Budget, as hereby approved and adopted, shall be certified by the Mayor to all appropriate agencies and is made a part of the public records of the City of Centennial.
- D. Nothing herein shall prevent or preclude the City Council from amending or otherwise modifying the adopted 2021 Budget as may be permitted by law.

**Section 2. 2021 Appropriations.**

Appropriations for 2021 are hereby approved for the City and are identified in the 2021 Budget All City Funds Summary, Exhibit A, as “2021 Financial Sources/Uses.”

**Section 3. Committed Fund Balances**

Per Administrative Policy 2010-AP-06 and Governmental Accounting Standards Board Statement 54, Committed Fund Balance is hereby designated in the Capital Improvement Fund at \$2,000,000 as of December 31, 2021. The Committed Funds are within the amount of the “2021 Ending Fund Balance” for the Capital Improvement Fund as presented on Exhibit A. These funds are not appropriated and are specifically committed for city building acquisition or major repairs to city buildings. These committed funds cannot be used for any other purpose unless the City Council takes further action.

Per Administrative Policy 2010-AP-06 and Governmental Accounting Standards Board Statement 54, Committed Fund Balance is hereby designated in the Street Fund at \$10,400,000 as of December 31, 2021. The Committed Funds are within the amount of the “2021 Ending Fund Balance” for the Capital Improvement Fund as presented on Exhibit A. These committed funds cannot be used for any other purpose unless the City Council takes further action. These funds are not appropriated and are specifically committed for:

<b>Street Fund Committed Purpose</b>	<b>2021 Committed Fund Balance</b>
<b>County Line widening project</b>	<b>\$4,500,000</b>
Fund the widening of County Line Rd from University Ave to Broadway Ave	
<b>Sidewalk segments in CIP</b>	<b>2,000,000</b>
Fund completing sidewalk segments identified in the City's ten-year Capital Improvement Program	
<b>Infrastructure replacement</b>	<b>1,000,000</b>
Fund replacement of existing infrastructure owned and maintained by the city, including but not limited to streets, sidewalks, street lights, signal lights and bridges.	
<b>Intersection improvements</b>	<b>1,400,000</b>
Fund signal lights and associated infrastructure as warrants are approved, along with other safety improvements.	
<b>Undergrounding utilities</b>	<b>1,000,000</b>
Fund undergrounding overhead utilities.	
<b>Emergency capital repairs</b>	<b>500,000</b>
Fund infrastructure or other capital improvement, emergency repairs if appropriated funds are insufficient.	
<b>Total Street Fund</b>	<b>\$10,400,000</b>

In addition, Open Space fund balance will have a total Commitment of \$8,277,800 as of December 31, 2021. The Committed Funds are within the "2021 Ending Fund Balance" for the Open Space Fund as presented on Exhibit A. These committed funds cannot be used for any other purpose unless the City Council takes further action. These funds are not appropriated and are specifically committed for:

<b>Open Space Fund Committed Purpose</b>	<b>2021 Committed Fund Balance</b>
<b>Lone Tree Creek Trail (net of County allocation)</b>	<b>\$2,500,000</b>
Remaining city cost to fund the three trail phases, net of the County's IGA Allocation of \$5,000,000.	
<b>Arapahoe County IGA – Dove Valley</b>	<b>3,000,000</b>
City's funding obligation for Dove Valley improvements per IGA.	
<b>Centennial Center Park Master Plan</b>	<b>1,900,000</b>
Fund the multi-phased Centennial Center Park Master Plan project.	
<b>Long-Term Reserve per policy</b>	<b>877,800</b>
Reserve established by Council Policy 2018-CCP-01 which is 10% of annual open space tax funds.	
<b>Total Open Space Fund</b>	<b>\$8,277,800</b>

**Section 4.** This Resolution shall be effective immediately upon adoption.

ADOPTED by an affirmative vote of a majority of the City Council in accordance with Section 11.13(a) (3) of the City's Home Rule charter with a vote of \_\_\_\_\_ in favor and \_\_\_\_\_ against this 2<sup>nd</sup> day of November, 2020.

By: \_\_\_\_\_  
Stephanie Piko, Mayor

ATTEST:

APPROVED AS TO FORM:

By: \_\_\_\_\_  
City Clerk

\_\_\_\_\_  
For City Attorney's Office

**RESOLUTION 2015-02****A RESOLUTION ESTABLISHING A COMMITTED FUND BALANCE DESIGNATION FOR CERTAIN UNPSENT ARTS AND CULTURE BOARD FUNDS OF THE CITY OF FRUITA, COLORADO IN ACCORDANCE WITH GOVERNMENTAL ACCOUNTING STANDARDS BOARD STATEMENT #54**

**WHEREAS**, the Governmental Accounting Standards Board (GASB) has adopted Statement #54 (GASB 54), a new standard for governmental fund balance reporting and governmental fund type definitions that became effective for the City of Fruita fiscal year ending December 31, 2011, and

**WHEREAS**, the Fruita City Council desires to establish a committed fund balance for future funding of art acquisitions from unspent funds in Arts and Culture Board line item. This is a self-imposed limitations on use of these funds that can only be removed or changed by subsequent resolution.

**NOW, THEREFORE, BE IT RESOLVED THAT THE FRUITA CITY COUNCIL HEREBY AMENDS THE FUND BALANCE POLICY ADOPTED BY RESOLUTION 2012-07 BY THE ADDITION OF THE FOLLOWING COMMITTED FUND BALANCE DESIGNATION:**

1. Art Acquisitions Reserve in the General Fund in the amount of annual unspent funds from the Arts and Culture Board line item in the Special Events Program of the Parks and Recreation Deaprtment. Funds in this reserve may be appropriated by resolution of the Fruita City Council for specific art projects or art acquisitions.

**AND BE IT FURTHER RESOLVED** that the effective date of this resolution shall be for financial statements for the year ending December 31, 2014.

**PASSED AND ADOPTED BY THE FRUITA CITY COUNCIL  
THIS 20th DAY OF JANUARY 2015**

City of Fruita

\_\_\_\_\_  
Mayor Lori Buck

ATTEST:

\_\_\_\_\_  
City Clerk