



# ADAMS COUNTY

**COLORADO**  
BOARD OF COUNTY COMMISSIONERS

Eva J. Henry - District #1  
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Erik Hansen - District #3  
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**STUDY SESSION AGENDA  
TUESDAY  
October 25, 2016**

*ALL TIMES LISTED ON THIS AGENDA ARE SUBJECT TO CHANGE.*

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|-------------------|---------------------|--|
| <b>10:00 A.M.</b> | <b>ATTENDEE(S):</b> | <b>Shannon McDowell / Renee Petersen / Open Space<br/>Advisory Board Members</b> |
|                   | <b>ITEM:</b>        | <b>Open Space Grant Recommendations</b>  |
| <b>10:30 A.M.</b> | <b>ATTENDEE(S):</b> | <b>Nancy Duncan</b>  |
|                   | <b>ITEM:</b>        | <b>Fund Balance Policy Review</b>  |
| <b>11:30 A.M.</b> | <b>ATTENDEE(S):</b> | <b>Todd Leopold</b>  |
|                   | <b>ITEM:</b>        | <b>Administrative Item Review / Commissioner<br/>Communications</b>              |

**(AND SUCH OTHER MATTERS OF PUBLIC BUSINESS WHICH MAY ARISE)**



**STUDY SESSION AGENDA ITEM**

<b>DATE:</b> October 25, 2016
<b>SUBJECT:</b> Open Space Sales Tax grant award recommendations
<b>FROM:</b> Nathan Mosley, Parks and Open Space Director, Shannon McDowell, and Renee Petersen
<b>AGENCY/DEPARTMENT:</b> Parks and Open Space
<b>ATTENDEES:</b> Nathan Mosley, Shannon McDowell, Renee Petersen, Open Space Advisory Board members
<b>PURPOSE OF ITEM:</b> Present the Open Space Advisory Board's recommendations to the Board of County Commissioners to understand whether there is concurrence prior to presenting awards in public hearing.
<b>STAFF RECOMMENDATION:</b> That the Board of County Commissioners accepts the Open Space Advisory Board's recommendations for funding

**BACKGROUND:**

On August 1, 2016, the Open Space Program received fourteen grant applications, including seven passive grant applications, five active grant applications, and two mini-grant applications. The total amount requested was \$9,958,216 which included \$8,118,866 for passive projects, \$1,829,500 for active projects, and \$9,850 for mini-grants. The total amount available for distribution was \$5,877,412.77.

The Open Space Advisory Board (OSAB) recommended full funding of both mini-grant applications, full funding for four passive applications and one active application, and partial funding for one passive application and one active application. If the Board of County Commissioners follows the OSAB's recommendations, the fund will carry a zero balance to the next grant cycle. The recommended funding decreases the level of overall active funding from 28.16% to 27.14%.

Detailed information about each grant and the OSAB's recommendations are below. The projects are listed according to their ranking, with mini-grants listed first.

**Mini Grant: Twin Lakes Park Mile High Youth Corps Russian Olive Removal- Adams County**

***Project Summary:*** This project proposes to hire the Mile High Youth Corps (MHYC): Sawyer Crew to aid in the removal of the invasive Russian Olive on open space; publicly-owned lands in Adams County. This grant will help fund the use of the MHYC for two weeks with a wood chipper. Twin Lakes Park is located at 200 West 70<sup>th</sup> Avenue.

***Type:*** Passive

***Grant Request:*** 27.8% of the total project costs, up to \$5,000

***Previous Grant Request:***  Yes  No

***OSAB Recommendation:*** Full funding, \$5,000

***OSAB Vote:*** Motion for full funding passed 6-0

***OSAB Comments:*** None

**Mini Grant: High School Seniors Beautification Project at Fairview Cemetery- City of Brighton**

**Project Summary:** This project involves the use of volunteer labor from high school seniors to enhance the beauty of the Fairview Cemetery. The seniors will plant 35 deciduous trees along the edges of the property to create additional shade and beauty for visitors. Fairview Cemetery is located at 102 North Telluride Street.

**Type:** Passive

**Grant Request:** 54.8% of the total project costs, up to \$4,850

**Previous Grant Request:**  Yes  No

**OSAB Recommendation:** Full funding, \$4,850

**OSAB Vote:** Motion for full funding passed 6-0

**OSAB Comments:** None

**Willow Bay Open Space Acquisition- Adams County**

**Project Summary:** Adams County is requesting support to fund the acquisition of 162 acres, located along the South Platte River, directly north of the Adams County Regional Park and south of Brighton's Ken Mitchell Open Space. This property has been a high priority acquisition for a long time as it provides a crucial trail connection in addition to outstanding natural and recreational opportunities. The Willow Bay Open Space is located at 136<sup>th</sup> Avenue and Brighton Road.

**Type:** Passive

**Grant Request:** 30% of the total project costs, up to \$3,000,000

**Previous Grant Request:**  Yes  No

**OSAB Recommendation:** Full funding, \$3,000,000

**OSAB Vote:** Motion to fund at \$1,700,000 failed 1-5, Rudden, Hickel, Dunn, Morris, and Merkel dissenting; Motion for full funding passed 5-1, Dowling dissenting

**OSAB Comments:**

- This project is vital to the overall trail design plus recreation opportunities.
- This is a "front burner" project for Adams County.
- This project should receive full funding. It is vital to open space goals. This is an enticing open space amenity for people moving into the area. This acquisition can help get people away from their electronics and out in nature.
- 162 acres of land to add to the Platte River preservation is worth saving from development
- Everyone loves a lake or water sports of any kind and 100 acres of water will be an important site
- The unfortunate part of this grant application is it takes over half of the funding this grant cycle, but the applicants can re-submit their grants next cycle.
- This 162 acre parcel is a chance for Adams County to provide land and a lake for the people of Adams County to enjoy. The lake will be available for boating, fishing and other forms of non-motorized water recreation.
- The land will be resources for hiking, birding, wildlife observation and other passive outdoor uses. It is important have land that is for public use.
- I want to see an in depth discussion and plan to address users; potential conflicts between users and wildlife needs, and ADA building standards, signage, etc
- I encourage special attention be given to water quality and quantity issues through education and user behavior/use.
- I agree this project is a once in a life-time type of land and water purchase in a crucial area along the South Platte River with much of the funding coming from large regional and state-wide entities. If planned out well, this property will be a great enhancement to Adams County Parks and Recreation.
- Land acquisition is a top priority to me so I would definitely fund.

**Sable Farmland Acquisition- City of Brighton**

**Project Summary:** The City of Brighton plans to acquire 64.169 acres, located within the agricultural District Plan. This property will be preserved with a conservation easement and remain as farmland according to the District Plan adopted by Adams County and the City of Brighton. The grant request includes the purchase, 70.8 Fulton Ditch water shares, appraisal, baseline documentation, Phase 1

environmental assessment, closing costs and survey/mapping. The farmland is located in the south area of Brighton, as outlined in the District Plan.

**Type:** Passive

**Grant Request:** 43.9% of the total project costs, up to \$1,674,750

**Previous Grant Request:**  Yes  No

**OSAB Recommendation:** Full funding, \$1,674,750

**OSAB Vote:** Motion for full funding passed 6-0

**OSAB Comments:**

- This is another project that should not fall into the hands of developers.
- Senior water rights give this project an A+
- This project is another vital project for open space goals.
- This project needs to be accomplished. What sort of time line is anticipated to find someone to farm the land? What is Brighton's return from the farmer?
- Adding farmland to conserve for the use as farmland will in the future allow the community fresh produce and will become a welcome asset to the area.
- I don't know if in the District Plan there is information about opening projects to the public. I would like clarification on this question and how it is addressed for this part of the Open Space Scoring.
- I encourage continued farming and to work with farmers about the best practices for farming in the 21st Century, e.g. water conservation, reduction in petroleum and toxic chemical related products that can affect water quality and wildlife existence.
- This is a very important land and water share purchase that gives a big boost to land and water conservation, and local farming for local consumers. I think the project, too, recognizes the importance of preserving soils and spaces that have been farmed for generations. I would like to better understand where the various high water tables, if any, exist underground in this project.
- Land acquisition is a top priority to me so I would definitely fund.

#### **Park Property Acquisition- City of Northglenn**

**Project Summary:** The City of Northglenn plans to acquire 3.43 acres for the rare opportunity to expand their park system. The parcel is located at 421 West 112<sup>th</sup> Avenue.

**Type:** Active

**Grant Request:** 60% of the total project costs, up to \$252,000

**Previous Grant Request:**  Yes  No

**OSAB Recommendation:** No funding, \$0

**OSAB Vote:** Motion to fund at \$126,000 failed 3-3, Dowling, Morris, and Merkel dissenting; Motion to pass project and come back to it passed 4-2, Rudden and Hickel dissenting; Motion for no funding passed 6-0

**OSAB Comments:**

- The user conflict could change in the future if a park is developed
- Any chance of the school district contributing to project?
- Purchase of open land is my top priority. Will Northglenn return for funding if the house has to be removed?
- Since the land needed to be secured immediately, the funds came from the city's general fund and needs to be reimbursed. I think this is a good move. Adams County has relied on securing open space funds after the land was secured.
- This application is for land acquisition but does not address its future use.
- Northglenn didn't have this property on any plan or master plan because of the ownership and location. It was a welcome acquisition to the city and it connects several city owned properties.
- To me any land acquisition is good. With the growth of the metro area, parks and open space will be in high demand and there will be no way to catch up or provide for our future population growth.
- Land acquisition has always been the most important use for our funds. I fully support Northglenn's efforts.
- The opportunity to purchase land is a top priority for providing land for public use. This land will allow Northglenn to add an additional park.

- I encourage Parks staff to get local, public input on uses and park planning for ADA needs, etc.
- Land acquisition is a top priority to me so I would definitely fund now.
- This project is a rare opportunity for the City of Northglenn to purchase land, in a city that has little opportunity for such.

**Egging Open Space Acquisition - City of Westminster**

***Project Summary:***

The City of Westminster plans to acquire a 3.57 acre site, located south of 128<sup>th</sup> Avenue on Pecos Street. This property will allow the City to expand the buffer along the Big Dry Creek Open Space and Park, and create additional trails while taking advantage of the spectacular mountain views. The Egging Open Space property is located at 12631 Pecos Street.

***Type:*** Passive

***Grant Request:*** 65% of the total project costs, up to \$367,250

***Previous Grant Request:***  Yes  No

***OSAB Recommendation:*** Full funding, \$367,250

***OSAB Vote:*** Motion for full funding passed 4-2, Dowling and Morris dissenting

***OSAB Comments:***

- This project is under a time constraint which seems to have limited resident involvement.
- The opening of the view corridor will be a major enhancement to this open space area. Views such as this one aren't found very often any more on land available for purchase.
- This site has close proximity to the Big Dry Creek corridor with a view that is unsurpassed. It will be a very popular site to stop and have a snack and rest stop.
- Presently an abandoned house sits on the property and it will be demolished and the property returned to open space. There is not much to encourage wildlife other than some trees and bushes that might be attractive to birds
- I am in favor of land purchase. More and more land will be needed to fulfill the needs of a growing population in the metro area.
- This property will be used for open space, enrichment for the community. A trail will be built that will provide views of the mountains.
- City staff has worked to build a relationship with the land owners, who are giving the City first shot at purchasing the land, that will increase park space and buffering from the homes already built to the SE of the Egging property. I commend the City staff for building this relationship.
- The City of Westminster can come up with more of the funding for the land, in my view.
- Land acquisition is a top priority to me so I would definitely fund.
- One of the best views of the front range, and the house could be a great educational resource. A great property!

**Norfolk Glen Park Renovation- City of Aurora**

***Project Summary:*** This project includes renovations to the Norfolk Glen Park located along the High Line Canal trail. Improvements include ADA accessibility, a new playground, new concrete paths, site furnishings, landscape improvements, updates to the irrigation system and park signage. Norfolk Glen Park is located at 15800 East 17<sup>th</sup> Place.

***Type:*** Active

***Grant Request:*** 50% of the total project costs, up to \$150,000

***Previous Grant Request:***  Yes  No

***OSAB Recommendation:*** No funding, \$0

***OSAB Vote:*** Motion to pass project and come back to it passed 6-0; Motion for no funding passed 6-0

***OSAB Comments:***

- Providing park usage for physically challenged children is vital.
- Will there be any new development/service clubs in the area that could contribute?
- I have a concern about park safety during construction. Will the park be usable?
- This is a project that could be funded in the next cycle.
- The Norfolk Glen Park last renovation was in the 1980s. The playground should be updated with ADA accessible equipment. The High Line Canal is next to the park that can provide activities for the users of the canal.
- Excellent project and application, but funds are tight.

- This is not an urgent request. It is a lower priority to me since it will update an existing playground.

**Westminster Station Park- Phase I - City of Westminster**

**Project Summary:** This project includes design and construction of a nature playground, pavilion, restroom and storage building, connection to the Little Dry Creek Trail, lighting, site furnishings, landscaping and irrigation. These elements will serve the residents and community at- large as an addition at the Westminster Station, RTD B-Line site. The Westminster Station Park is located at 6940 Lowell Boulevard.

**Type:** Active

**Grant Request:** 26.2% of the total project costs, up to \$606,000

**Previous Grant Request:**  Yes  No

**OSAB Recommendation:** Partial funding, 21.9%, up to \$506,000

**OSAB Vote:** Motion for partial funding passed 5-1, Rudden dissenting

**OSAB Comments:**

- Will RTD participate financially such as in providing rest rooms?
- This is a much needed amenity in this part of the city. These are the children who can't afford to go places like the zoo, Butterfly Pavilion, etc. With the Adams County Housing Authority building low income housing in the area, it will serve an even larger population.
- Were there adequate funds, I would rate this project differently but I am leaning toward land purchase.
- A playground, pavilion, restroom/storage building, lighting, site furnishing, landscaping and irrigation will be a benefit to the community. Because of the limited funding this cycle I have concerns over funding this project which would neglect other projects.
- I think this is an exciting, well thought out and planned project to create nature play spaces that is sadly not available to children, especially in this area and in general, for people passing through this park and transit system. I'm especially hopeful the GOCO (INSPIRE) can be established in this park.
- Partial funding may be possible.
- I believe this is a very worthy project and should be considered for funding, even if only partial now and in full later. With the lack of funds available, land acquisitions are the top priority this cycle.

**Brighton Japanese-American Assn Park Master Plan – City of Brighton**

**Project Summary:**

This project will create a master plan for the Brighton Japanese-American Association Park, which was constructed in 1951. The process will involve the residents to develop a master plan for the improvements to include in the park as well as ways to honor the Japanese-American history of the site. Brighton Japanese-American Association Park is located at 1220 Longs Peak Street.

**Type:** Passive

**Grant Request:** 40% of the total project costs, up to \$16,000

**Previous Grant Request:**  Yes  No

**OSAB Recommendation:** Full funding, \$16,000

**OSAB Vote:** Motion for full funding passed 5-1, Dowling dissenting

**OSAB Comments:**

- This park should be updated for the community to more modern standards.
- I like that children in this neighborhood have a place to keep them out of the streets.
- This park should be improved so as to continue the respect it deserves. It is a great park of Brighton's history and it should be honored. The letters in the packet were moving to read.
- There is great pride in the fact the Japanese Americans were able to fund and dedicate an area for a park.
- It is an old park surrounded by residences and needs a new plan to make it more useful to the current needs of the area.
- The development of a master plan will include all ages and abilities and will be developed with the input of the surrounding community.

- Developing a master plan for an older park and having community input is a good plan but funds are very limited this grant session. I hope Brighton re-submits this application when funding is more favorable.
- This grant application deserves funding but I always put land purchase first because with our growing population and 1,000 new arrivals a day to the metro area, every bit of parks and open space will be needed to accommodate the needs of a rapidly growing population
- I encourage the City to fully fund the Master Plan process, especially at this time. This park deserves updating and historical interpretation about the Japanese-Americans' experiences who established this park.
- Excellent project and application, but funds are short this cycle.
- I may not vote for this project due to the lack of funds available this cycle. The low amount of the request should still allow it to be funded.

**Trupp Park Shade and Seating Amenities- Town of Bennett**

**Project Summary:** This grant request is for additional trees, seating and shade structures throughout Trupp Park. Trupp Park is located at 105 West Palmer Street.

**Type:** Active

**Grant Request:** 59.5% of the total project costs, up to \$21,500

**Previous Grant Request:**  Yes  No

**OSAB Recommendation:** Full funding, \$21,500

**OSAB Vote:** Motion for full funding passed 6-0

**OSAB Comments:**

- I would not fund this project in this grant cycle, but ask they return in the spring. It is a valid project, but not high on my priority list with such limited funds.
- Two of the four phases have been completed. This phase will add needed shade and seating.
- I note the Town's growth is higher than other parts of Adams County, which means there will be more people using this park. Shade/shelter to protect park users from intense heat and sun is vital for this park to provide at the minimum for people's health and safety.
- Excellent project and application, but funds are tight this grant cycle.
- Lower priority to me. Not an urgent request compared to the land acquisitions. With a smaller request, it may fit into approvals.

**Clear Creek Valley Park Deep Well and More- Hyland Hills Park & Recreation District**

**(Sponsored by City of Arvada)**

**Project Summary:** This project includes funding for a deep well in to the Laramie- Fox Hill aquifer, necessary to meet reliable future irrigation and water augmentation requirements of the park. Additional fencing, landscaping, soft surface trails and a fishing dock are also included in the project. Clear Creek Valley Park is located at 5900 Tennyson Street.

**Type:** Passive

**Grant Request:** 70% of the total project costs, up to \$430,500

**Previous Grant Request:**  Yes  No

**OSAB Recommendation:** Partial funding, 62.7% up to \$282,062.77

**OSAB Vote:** Motion for partial funding passed 4-2, Dowling and Morris dissenting

**OSAB Comments:**

- After so many years, this park needs to be completed. I would agree to partially fund in this grant cycle. They could return in the next grant cycle.
- Finishing this 81 acre park should be a priority. It will serve as a hub for all kinds of activity and encourage new residents. It clearly needs the funds to aid in completion. I hope this will be a priority at our next funding session.
- Clear Creek Park needs to be funded. It is in need of fencing to protect the finished portions from vandalism and it is a very long awaited project. It will encourage good growth in the area and provide good outdoor recreation to an undeserved southwest portion of Adams County.
- The Clear Creek Trail was finally completed in the area and Arvada is interested in helping in development of the western side of CCP. If funding becomes available, this park could mean so much to the trail users and surrounding communities. Many different species of wildlife travel the Clear Creek Trail and stop to occupy any suitable habitat. The variety is most interesting. CCP

- will serve as a resting place for many species as well as the already established residents. When the park is finally open, there will be many opportunities for wildlife viewing.
- This project would get a “yes, definitely fund” if there were not so many applications for land preservation. That has to be a priority.
  - Funding is limited so perhaps this could be presented again in the spring.
  - My impression is that most of the project request for funding is to cover a deep water well that meets a change in CO water law. If my impression is correct, I'm not sure if deep water wells fit in the Resolution.
  - I realize this is a long term project that is very important to the area and communities around it to benefit from it. However, my impression is two-fold, construction costs went up for more than was originally budgeted. Secondly, it sounds like water needs and requirements changed. I have no idea if the water requirements changes could have been anticipated. However, I would like to see the Hyland Hills Recreation District increase its share of the funding for the deep water well. Also I'm not sure if future costs to maintain deep water well have been completely explained, e.g. who pays for a future pump or if additionally drilling is needed if water level goes down. I encourage the Park to follow best use practices for water quantity and quality.
  - The applicant is providing the minimum match
  - Good application and similar projects have been funded in the past. The project will have a good chance if the funding is available.
  - The lack of funds available makes this project less of a priority than the land acquisitions.

**Outdoor Aquatics Improvements- City of Northglenn**

**Project Summary:** City of Northglenn is requesting funding for the renovation of the Kiwanis outdoor pool and bath house. The project includes complete replacement of the bath house, improvements to the site amenities and the addition of a splash pad. The Kiwanis pool is located at 550 Garland Street. **Type:** Active

**Grant Request:** 50% of the total project costs, up to \$800,000

**Previous Grant Request:**  Yes  No

**OSAB Recommendation:** No funding, \$0

**OSAB Vote:** Motion for no funding passed 6-0

**OSAB Comments:**

- Not funding the project would not stop the use of the facility, but it would enhance it for the users.
- Northglenn states that this pool does not attract many users except on free or reduced days and they want \$800,000 to rebuild the bath house. There is uncertainty as to where the splash pad will be located
- This pool is only open for less than 3 months and while it does need upgrades, does it justify the expense?
- This facility, even in poor condition, is usable. At the project tour, the comment was made that the facility is underused. I am not aware of any survey taken for the purpose of determining if an update would increase the use. Also since funding this cycle is limited, this project is more expensive than there are funds. Perhaps if a survey would show more use if updated in a future cycle funds might be available.
- There are several reasons to do this project now: First, the 1960's bathhouse construction is pre-ADA construction and is out of compliance with ADA standards and accommodating a potential employee in a wheelchair to run the concession stand. Second the pool drainage isn't connected to a sanitary system, so the chlorinated water goes directly into the stream systems, which are already dealing with water quality issues. Third, this is the only outdoor pool in a neighborhood of moderate-low income residents that benefit from a summer recreation pool, and a cooling source, if homes are not air-conditioned. As climate change continues with hotter and hotter summers, cooling spaces like pools, splash pads will become more vital besides a great recreation value.
- The need is present, but the facility is only used for a few months per year. Based on the shortness of funds, I would place this request lower on the priority list.
- A very worthy project, but due to the lack of funds available this cycle, may not get funded. It is a lower priority than land acquisitions.



- The uncertainty of where the splash pad is to be located makes it difficult to fund money for a splash pad at an unknown location.

**Riverdale Ball Field Complex Phase I Construction- City of Thornton**

**Project Summary:** The City of Thornton is seeking funding for the first phase of construction at the Riverdale Ball Field Complex to include four lighted ball fields and a large playground. The grant elements of this phase are the trails, lighting, shade shelters, gathering plaza, irrigation, restrooms and native landscaping. The Riverdale Ball Field Complex is located at 9830 Riverdale Road. **Type:** Passive  
**Grant Request:** 22.1% of the total project costs, up to \$2,320,366

**Previous Grant Request:**  Yes  No

**OSAB Recommendation:** No funding, \$0

**OSAB Vote:** Motion for no funding passed 6-0

**OSAB Comments:**

- This is a tough one for there is such a large need for ball fields. Perhaps they could come back in the spring for more grant funds.
- This is a big project for Thornton and construction costs are outrageous, tax funds are also unable to stretch.
- This ball field complex will be great for the community and organized sports. The cost to even start work on half of the complex is unbelievable. Open space money is so in demand it cannot cover the needs.
- Thornton does not allow community contact so support letters are non-existent
- Thornton sent out over 9,000 letters to attend a meeting to ask for support and 12 people show up and most had issues with lighting and wanted trails. Where were the supporters? There seems like a lot of apathy from residents.
- This is an excellent plan for building trails, shelters, restrooms, and landscaping in phase 1. This grant cycle does not have the funds for this project. I would suggest applying again in the spring.
- As I understand the trail construction, there will be a crusher fine trail for walkers and runners adjacent to the concrete portion. The project is designed to bring in more people to the area, where native plantings and seasonal water runoff already exist. I encourage Park staff provide some type of environmental education for the how best to interact (or not interact) with wildlife, etc.
- I like the project for its trail construction, connectivity to the McKay ball fields, and land use in native plantings for wildlife habitats. I encourage the City to work with local residents who already live in the area to understand the project and how it may impact them. I also encourage the City to follow best practices for water quantity and quality uses and to educate park users about wildlife interactions, especially during breeding season.
- A fine request, but low availability of funds makes the funding of this project at this time uncertain.
- Due to the lack of funds available, this project is lower in priority than the land acquisitions, but is a worthwhile project.

**The Trails at Dunes Park- Riverdale Dunes Metropolitan District No. 1 (Sponsored by City of Commerce City)**

**Project Summary:** This project aims to convert a storm water detention pond into a multi- use park area. The planned improvements include the addition of recreational amenities consisting of a basketball court, walking trail, exercise stations and a community garden. The Trails at Dunes Park is located at 9535 East 113<sup>th</sup> Avenue.

**Type:** Passive

**Grant Request:** 54.8% of the total project costs, up to \$310,000

**Previous Grant Request:**  Yes  No

**OSAB Recommendation:** No funding, \$0

**OSAB Vote:** Motion for no funding passed 6-0

**OSAB Comments:**

- I understand the need for this park expressed by the residents. I would ask they return with a request in the next grant cycle.

- It is commendable when an HOA takes it upon themselves to make a park out of a drainage area using their funds.
- This community is without a suitable playground, trails and other park amenities. They are working to provide for themselves by utilizing a water detention area to become a park, trail, playground area for their neighborhood. Using their HOA fees to act as funding for their commitment to the park project.
- Great effort was put into this application and it would fulfill a need.
- Commerce City has not been consulted about the Dunes Park. Perhaps Commerce City could help with the funding for development and maintenance.
- My impression is the detention/park fits the 100 year flood model. I'm not sure how well this project would survive flooding beyond the 100 year standard that can and has happened in these types of detention/park systems.
- I have some reservations about long term management monies, community interest being there after children grow up and possibly move away from the area.
- I acknowledge the work and involvement of the residents to have a park area and to follow through on developing this grant request. Personally, I think it may be very difficult for the general public to know about and to locate easily where this park is. The park would need to be open to the general public, which may bring more traffic and people in the area. I encourage residents approach the City of Commerce City to help them do this project, create connectivity, and long term management of the project.
- I felt there was incomplete information on maintenance and inspections. City involvement would help. I would not recommend funding at this time.
- Lack of funds available this cycle makes this a lower priority for me, although a worthwhile project.

**AGENCIES, DEPARTMENTS OR OTHER OFFICES INVOLVED:**

Open Space Advisory Board, Applicants

**ATTACHED DOCUMENTS:**

Worksheet summarizing grant recommendations  
OSAB meeting minutes from September 28, 2016

**FISCAL IMPACT:**

Please check if there is no fiscal impact . If there is fiscal impact, please fully complete the section below.

**Fund:** 28

**Cost Center:** 6202

	Object Account	Subledger	Amount
Current Budgeted Revenue:			
Additional Revenue not included in Current Budget:			
<b>Total Revenues:</b>			

	Object Account	Subledger	Amount
Current Budgeted Operating Expenditure:	8810		5,877,412.77
Add'l Operating Expenditure not included in Current Budget:			
Current Budgeted Capital Expenditure:			
Add'l Capital Expenditure not included in Current Budget:			
<b>Total Expenditures:</b>			<u>5,877,412.77</u>


New FTEs requested:  YES  NO


Future Amendment Needed:  YES  NO

**Additional Note:**

**APPROVAL SIGNATURES:**

**APPROVAL OF FISCAL IMPACT:**

  
\_\_\_\_\_  
Todd Leopold, County Manager

  
\_\_\_\_\_  
Raymond H. Gonzales, Deputy County Manager

\_\_\_\_\_  
Bryan Ostler, Interim Deputy County Manager

  
\_\_\_\_\_  
Wanny Dunn  
Budget / Finance

Adams County Open Space Grant Program Fall 2016 Grant Cycle - August 1, 2016											
Ranking	Score	Applicant	Project Name	Priority	Active Request	Active Recommended Funding	Passive Request	Passive Recommended Funding	OSAB Recommendation by Project	% of Funding (as requested)	% of Funding (as recommended)
Mini		Adams County	Twin Lakes Park Mile High Youth Corps Russian Olive Removal				\$5,000.00	\$ 5,000.00	\$5,000.00	27.8%	27.8%
Mini		City of Brighton	High School Seniors Beautification Project at Fairview Cemetery				\$4,850.00	\$ 4,850.00	\$4,850.00	54.8%	54.8%
1	18	Adams County	Willow Bay Open Space Acquisition	1			\$3,000,000.00	\$ 3,000,000.00	\$3,000,000.00	30.0%	30.0%
2	18	City of Brighton	Sable Farmland Acquisition	1			\$1,674,750.00	\$ 1,674,750.00	\$1,674,750.00	43.9%	43.9%
3	18	City of Northglenn	Park Property Acquisition	2	\$252,000.00	\$ -			\$0.00	60.0%	0.0%
4	17	City of Westminster	Egging Open Space Acquisition	2			\$367,250.00	\$ 367,250.00	\$367,250.00	65.0%	65.0%
5	14	City of Aurora	Norfolk Glen Park Renovation	1	\$150,000.00	\$ -			\$0.00	50.0%	0.0%
6	14	City of Westminster	Westminster Station Park- Phase I	1	\$606,000.00	\$ 506,000.00			\$506,000.00	26.2%	21.9%
7	13	City of Brighton	Brighton Japanese-American Assn Park Master Plan	2			\$16,000.00	\$ 16,000.00	\$16,000.00	40.0%	40.0%
8	12	Town of Bennett	Trupp Park Shade and Seating Amenities	1	\$21,500.00	\$ 21,500.00			\$21,500.00	59.5%	59.5%
9	11	Hyland Hills Park & Recreation District	Clear Creek Valley Park Deep Well and More	1			\$430,500.00	\$ 282,062.77	\$282,062.77	70.0%	62.7%
10	10	City of Northglenn	Outdoor Aquatics Improvements	1	\$800,000.00	\$ -			\$0.00	50.0%	0.0%
11	10	City of Thornton	Riverdale Ball Field Complex Phase I Construction	1			\$2,320,366.00	\$ -	\$0.00	22.1%	0.0%
12	7	Riverdale Dunes Metropolitan District No. 1	The Trails at Dunes Park	1			\$310,000.00	\$ -	\$0.00	54.8%	0.0%
<b>Total</b>					<b>\$1,829,500.00</b>	<b>\$527,500.00</b>	<b>\$8,128,716.00</b>	<b>\$5,349,912.77</b>			
<b>Total Funding Recommended</b>									<b>\$5,877,412.77</b>		
<b>Grant Fund Balance (before recommendations)</b>									<b>\$5,877,412.77</b>		

Total \$ Available	\$0.00
Grant Requests	\$9,958,216.00
Funds Remaining if Funded in Full	-\$9,958,216.00
Funding Recommendation	\$5,877,412.77
Funding Difference	\$4,080,803.23

	Active %	Passive %
Recommended + Previous Funded	27.14%	72.86%
Requested (this cycle)	18.37%	81.63%
Previous Funded	28.16%	71.84%
Requested + Previous Funded	28.32%	75.36%

Total Active Available	\$951,030.60
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## **Adams County Open Space Advisory Board**

Meeting Minutes

September 28, 2016

5:30 p.m.

Adams County Regional Park

OSAB Members in Attendance:

Christy Dowling

Gloria Rudden

Ed Hickel

Karen Dunn

Ann Merkel

Drew Morris

Parks & Open Space Staff in Attendance:

Shannon McDowell

Renee Petersen

County Attorney in Attendance:

Doug Edelstein

### **Introductions**

Ms. Merkel called the meeting to order at 5:30 PM. The meeting began with the Pledge of Allegiance. The Open Space Advisory Board members and County staff introduced themselves.

### **Approval of Meeting Minutes from August 20, 2016 and August 24, 2016**

A motion was made by Ms. Dowling and seconded by Mr. Hickel to ***Approve the minutes*** for the August 20, 2016 and August 24, 2016 meetings. The motion passed unanimously.

### **Update on Fund Balance**

Ms. Petersen informed the Board that there is \$5,877,412.77 available to award in the current grant cycle.

### **Question/Answer Period**

There were no questions for the applicants from the OSAB.

### **Funding Strategy Discussion**

Mr. Morris commented that he would prioritize the land acquisitions. Ms. Dowling commented that she appreciated those that were able to submit a revised budget. She also felt it was important to consider the Northglenn pool improvements as they do not currently meet ADA requirements and do not have a family locker room which she considers a priority. She felt that someone with a mobility issue would also not be able to work at the facility. Mr. Hickel mentioned that he felt projects that are already in the

building phase should be considered higher than those that could wait for funding and were not as far along.

### **Grant Funding Recommendations**

Ms. Merkel addressed the applicants stating that based on the amount of funding available and the much higher amount of grant requests, this was going to be a very difficult decision for the OSAB. She asked that if the projects were not funded to please resubmit in the next grant cycle, understanding that it is disappointing, but knowing that all of the projects submitted were worthy of funding.

Mr. Morris asked if the amended budget amounts were available. Ms. McDowell stated that we would share the amended amounts as the project was being considered.

### **Adams County- Twin Lakes Park Mile High Youth Corps Russian Olive Removal**

A motion was made by Mr. Hickel and seconded by Ms. Rudden to **Approve the request** in the amount of \$5,000. The motion passed unanimously.

### **City of Brighton – High School Seniors Beautification Project at Fairview Cemetery**

A motion was made by Mr. Hickel and seconded by Ms. Dunn to **Approve the request** in the amount of \$4,850. The motion passed unanimously.

### **Adams County- Willow Bay Open Space Acquisition**

A motion was made by Ms. Dowling and seconded by Ms. Rudden to **Approve the request** in the amount of \$1.7 million. Mr. Hickel stated that the award amount was very short compared to the request. The motion failed 1-5, Ms. Rudden, Mr. Hickel, Ms. Dunn, Mr. Morris, and Ms. Merkel dissenting. Ms. Dowling stated she felt the partial award was reasonable in order to accommodate awards to some of the other projects. Ms. Dunn stated that she felt the purchase of land was a rare opportunity and the other projects were not as time sensitive. Mr. Hickel stated he was never in favor of cutting an award for an acquisition and felt Adams County was very reasonable to only request the \$3 million for a \$10 million project. Ms. Dowling felt they did have other resources for funding partners with the Natural Resource Damage funds and GOCO, agreeing that the project was fully worthy of the award. A motion was made by Mr. Hickel and seconded by Ms. Rudden to **Approve the request** in the full amount of \$3 million. The motion was passed 5-1, Ms. Dowling dissenting.

### **City of Brighton- Sable Farmland Acquisition**

A motion was made by Ms. Rudden and seconded by Ms. Dunn to **Approve the request** in the amount of \$1,674,750. The motion was passed unanimously with no discussion.

### **City of Northglenn- Park Property Acquisition**

A motion was made by Mr. Morris and seconded by Mr. Hickel to **Approve the request** in the amount of \$252,000. Ms. Dowling mentioned they did have an amended budget for \$126,000. Mr. Morris asked if

City of Northglenn could explain their position for the reduced request. Amanda Peterson from City of Northglenn explained that the pool project was their first priority and the property was the second priority only due to the timing since they would not lose the opportunity to purchase as they had already finalized that and the pool was going to be in the design process. They needed to know if they would receive any funding towards the pool project in order to proceed accordingly. Ms. Merkel asked that there be an amendment to the motion for the \$126,000. A motion was made by Ms. Dowling and seconded by Mr. Morris to **Amend the request** for the amount of \$126,000. Mr. Morris then wanted to address the fact that the property was already acquired, and questioned that since they would not lose the opportunity to purchase it they may want to reserve that funding for a different project. Ms. Dowling felt the pool project would be a higher priority to her. The motion failed 3-3, Mr. Morris, Ms. Dowling, and Ms. Merkel dissenting. A motion was made by Ms. Dowling and seconded by Mr. Morris to Pass on the decision and later return to a funding decision for the project. Mr. Hickel stated that regardless of the land already being purchased, he would like to be a part of the funding support for the project. The motion passed 4-2, Mr. Hickel and Ms. Rudden dissenting.

#### **City of Westminster- Egging Open Space Acquisition**

A motion was made by Mr. Hickel and seconded by Ms. Rudden to **Approve the request** in the amount of \$367,250. Ms. Dowling wanted to note that they did submit an amended budget with a reduced request of \$325,000. Mr. Hickel stated that he would not like to rescind his motion. Mr. Morris asked what the reasoning was behind the reduced request. Heather Cronenberg from City of Westminster explained that if the board chose to award at the reduced amount they would still be able to acquire the property but that the demolition of the house would not be funded. Mr. Hickel again stated that he wanted the motion to remain. Ms. Rudden commented that the original intent of the Open Space program was to acquire and protect open space. This property had an amazing view and was a great opportunity, which would be almost sinful to not fund at the full amount. Ms. Dowling commented that she agreed it was a great property and that by funding at the reduced amount the opportunity would not be lost. The motion passed 4-2, Ms. Dowling and Mr. Morris dissenting.

#### **City of Aurora- Norfolk Glen Park Renovation**

A motion was made by Mr. Morris and seconded by Ms. Dowling to **Table the request**. The motion passed unanimously with no discussion.

#### **City of Westminster- Westminster Station Park- Phase I**

A motion was made by Ms. Dowling and seconded by Ms. Dunn to **Approve the request** for the amended budget amount of \$506,000. Mr. Hickel mentioned that he felt the best time to approve this project would be now. Ms. Rudden commented that she was not impressed during the site tour with the example of a bird nest at the nature playground. Ms. Dowling mentioned that many take for granted the opportunities kids have to play outdoors and develop these skills in society today and she feels it is a creative way to encourage that. Mr. Morris agrees that with the light rail stations this will be a great amenity to the area. Mr. Hickel stated that for the Goat Hill neighborhood this is a welcome addition to encourage kids to be outdoors. The motion passed 5-1, Ms. Rudden dissenting.

### **City of Brighton- Brighton Japanese- American Association Park Master Plan**

A motion was made by Ms. Dunn and seconded by Mr. Morris to **Approve the request** in the amount of \$16,000. Ms. Dowling stated she was in favor of the project but felt the City should be able to fund the master plan phase. Ms. Dunn commented she feels it shows respect for the community and that with the City's contribution they should also help fund the project. The motion passed 5-1, Ms. Dowling dissenting.

### **Town of Bennett- Trupp Park Shade and Seating Amenities**

A motion was made by Ms. Dowling and seconded by Ms. Dunn to **Approve the request** in the amount of \$21,500. The motion passed unanimously with no discussion.

### **Hyland Hills Park & Rec District- Clear Creek Valley Park Deep Well and More**

Ms. Dowling asked for a fund balance. Ms. McDowell shared the balance of \$282,062.77. A motion was made by Ms. Rudden and seconded by Mr. Hickel to **Approve the request** in the amount of \$282,062.77. Mr. Morris mentioned he would prefer to fund a project in full. Mr. Hickel stated he feels they could use the partial funding and would be grateful for the funds. Ms. McDowell reminded the board that Hyland Hills offered a few alternatives on the amended budget. This included a reduced request of \$315,000. Terry Barnhart from Hyland Hills Park & Rec District explained that the well was already in and the partial award would be applied upon award. He also mentioned that he doesn't think he can apply in the spring based on the policies of having only one year to be reimbursed and apply for previous improvements. Mr. Hickel commented that he was happy to hear they would accept the reduced amount, noting they did not have a very high leverage amount for the project. Ms. McDowell asked for clarification on if the project would be completed in full with a partial award. Mr. Barnhart replied that this would include the well components only. Ms. Dunn questioned that if this motion was approved, there would be no award available to City of Northglenn for the acquisition. Mr. Morris stated he was looking at not funding projects that were already completed, both the well for Hyland Hills and the acquisition for City of Northglenn and instead consider the award for City of Aurora to improve the park project. Ms. Rudden explained that she would like to see full support of this project that started the Open Space program and where no tax revenues are being generated for those improvements. They have taken on a very large project and need that funding support. Mr. Barnhart explained that they do not collect sales tax, but do collect user fees at a few locations. Mr. Hickel explained that this project would serve an extremely poor neighborhood. Ms. Rudden stated that next to the park there is a low income mobile home park with 300 something residents and the kids of these families having nowhere to go. Mr. Morris explained that he was in full support of the project, but felt that a partial award was not as effective as awarding a full project, such as the park in City of Aurora. Ms. Rudden wanted to mention that the City of Aurora park was already a very nice park and that this project would just improve the trail access and the kids in the Hyland Hills area had no amenities at this point. Ms. Dowling mentioned that the Norfolk Park did also not meet ADA standards and that sadly that was an underserved population. The motion passed 4-2, Ms. Dowling and Mr. Morris dissenting.



**City of Northglenn- Park Property Acquisition, City of Aurora- Norfolk Glen Park Renovation, City of Northglenn- Outdoor Aquatics Improvements, City of Thornton- Riverdale Ball Field Complex Phase I Construction, and Riverdale Dunes Metro. District No. 1- The Trails at Dunes Park**

A motion was made by Mr. Hickel and seconded by Ms. Rudden to **Deny the requests** as there were no available funds remaining. The motion passed unanimously with no discussion.

**Public Comment**

Ms. Merkel wanted to thank the applicants for attending and let them know to not be discouraged and please reapply for funding if they were not awarded in this grant cycle. The applicants expressed their gratitude and appreciation for the recommendations for funding that were made.

**Matters from the Parks Staff**

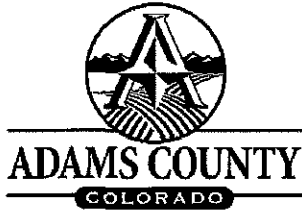
Ms. Petersen noted that they would not have an October meeting. She shared the upcoming schedule planned for the grant awards, with a study session expected on October 25<sup>th</sup> and the awards during public hearing expected for November 15<sup>th</sup>. She reminded the OSAB of the tour for the Bromley-Hishinuma Farm on October 13<sup>th</sup> at 9:30 AM. She also asked the board to inform us of any dates to avoid for the holiday dinner in December.

**Matters from the Board**

The OSAB asked about the Town of Bennett vacancy and if there had been any interest. Mr. Edelstein offered to review the policies to determine if they might be able to move to the next jurisdiction on the rotation if the vacancy is not filled. Ms. Petersen noted they may want to advertise in a local paper and try to get the vacancy posted to spark interest.

A motion was made by Ms. Rudden and seconded by Mr. Hickel to **Adjourn the meeting**. The motion passed unanimously.

The meeting adjourned at 7:00 PM.



## STUDY SESSION AGENDA ITEM

<b>DATE:</b> October 25, 2016
<b>SUBJECT:</b> Fund Balance Policy Review
<b>FROM:</b> Nancy Duncan, Budget Manager
<b>AGENCY/DEPARTMENT:</b> Budget Office
<b>ATTENDEES:</b> Budget Office Staff
<b>PURPOSE OF ITEM:</b> To provide information to the Board of County Commissioners regarding Recommended Fund Balance Policy
<b>STAFF RECOMMENDATION:</b> Determine a Fund Balance Policy

### **BACKGROUND:**

The Budget Office will discuss Fund Balance Policy related to restricted and unrestricted Fund Balance.

### **AGENCIES, DEPARTMENTS OR OTHER OFFICES INVOLVED:**

County Manager's Office, Budget Office

### **ATTACHED DOCUMENTS:**

Presentation  
Fund Balance Information

**FISCAL IMPACT:**

Please check if there is no fiscal impact. X If there is fiscal impact, please fully complete the section below.

**Fund:**

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**Cost Center:**

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	<b>Object Account</b>	<b>Subledger</b>	<b>Amount</b>
Current Budgeted Revenue:			
Additional Revenue not included in Current Budget:			
<b>Total Revenues:</b>			<hr/>

	<b>Object Account</b>	<b>Subledger</b>	<b>Amount</b>
Current Budgeted Operating Expenditure:			
Add'l Operating Expenditure not included in Current Budget:			
Current Budgeted Capital Expenditure:			
Add'l Capital Expenditure not included in Current Budget:			
<b>Total Expenditures:</b>			<hr/>

New FTEs requested:             YES             NO


Future Amendment Needed:     YES             NO

**Additional Note:**

**APPROVAL SIGNATURES:**

**APPROVAL OF FISCAL IMPACT:**

  
\_\_\_\_\_  
Todd Leopold, County Manager

  
\_\_\_\_\_  
Nancy Dunn  
Budget / Finance

\_\_\_\_\_  
Raymond H. Gonzales, Deputy County Manager

  
\_\_\_\_\_  
Bryan Ostler, Interim Deputy County Manager

# ADAMS COUNTY



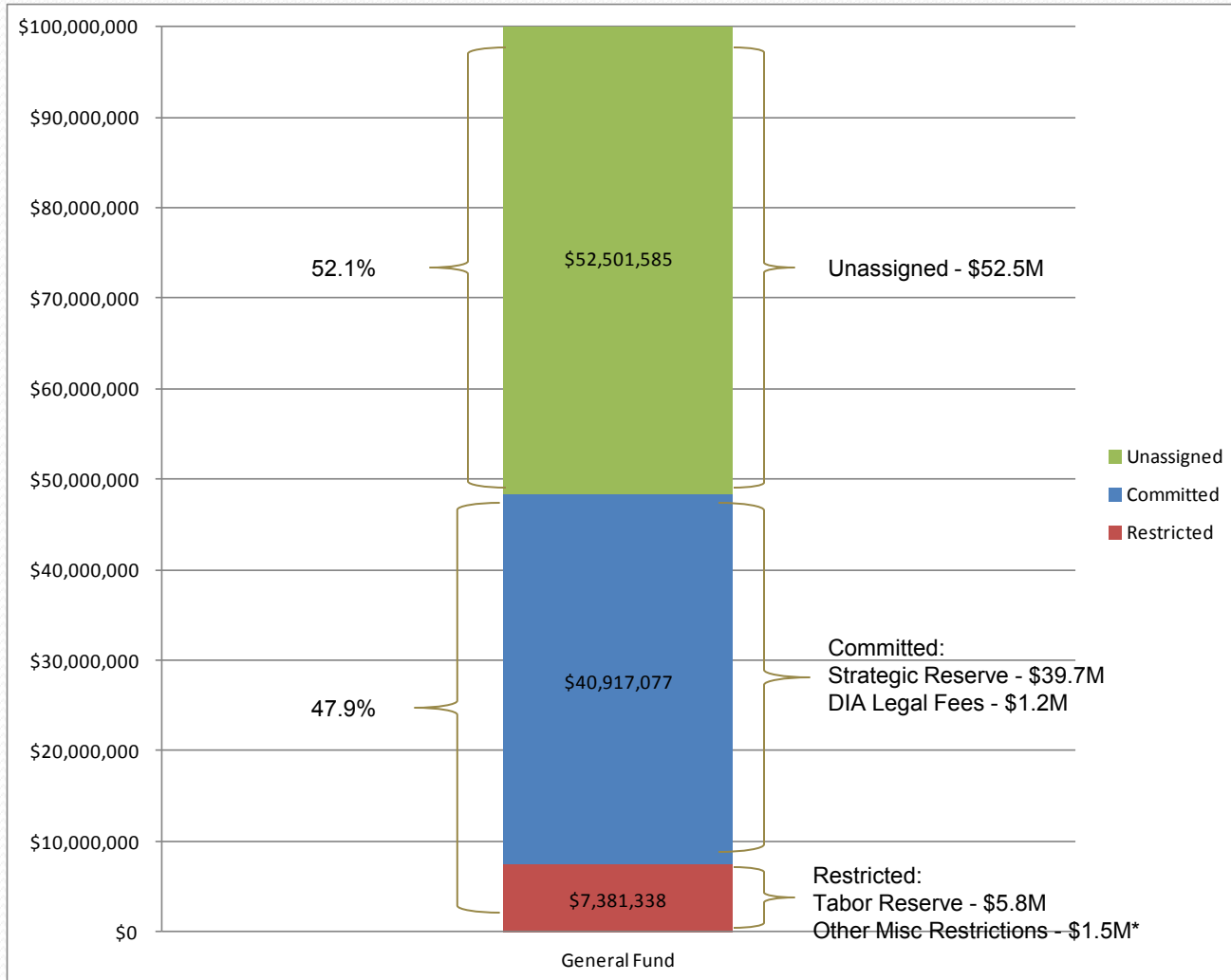
ADAMS COUNTY  
COLORADO

THE ARMORY  
EDMONTON CULTURAL CENTER

# Fund Balance Terms:

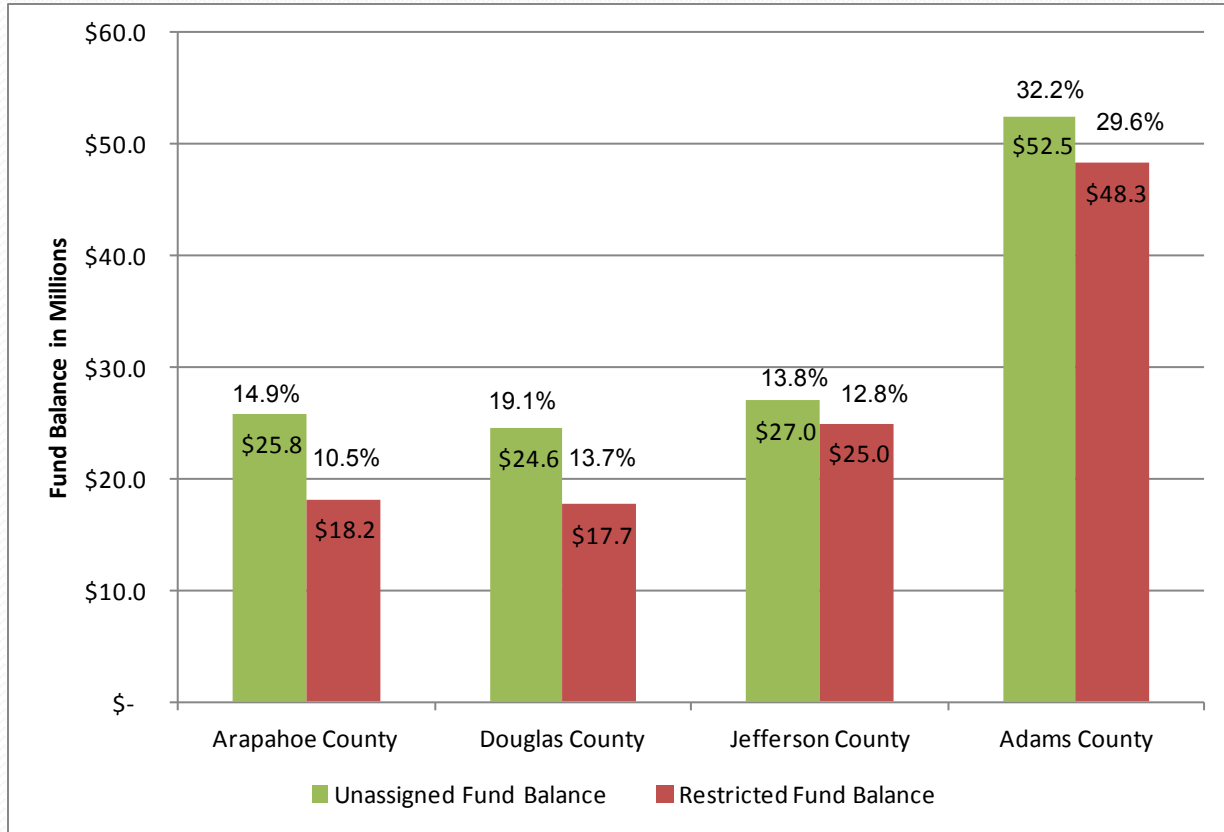
- **Restricted Fund Balance:** The portion of fund balance constrained for a specific purpose by external parties, constitutional provisions, or enabling legislation. Effectively, restrictions on fund balance may only be changed or lifted with the consent of resource providers.
- **Committed Fund Balance:** The portion of fund balance that can only be used for specific purposes according to limitations imposed by the Board of County Commissioners.
- **Assigned Fund Balance:** The portion of fund balance set aside for planned or intended actions. The intended use may be expressed by the Board of County Commissioners or other individuals authorized to assign fund to be used for a specific purpose.
- **Unassigned Fund Balance:** This is the residual portion of fund balance that does not meet any of the above criteria.

## Current General Fund Fund Balance Designations as of 01/01/16



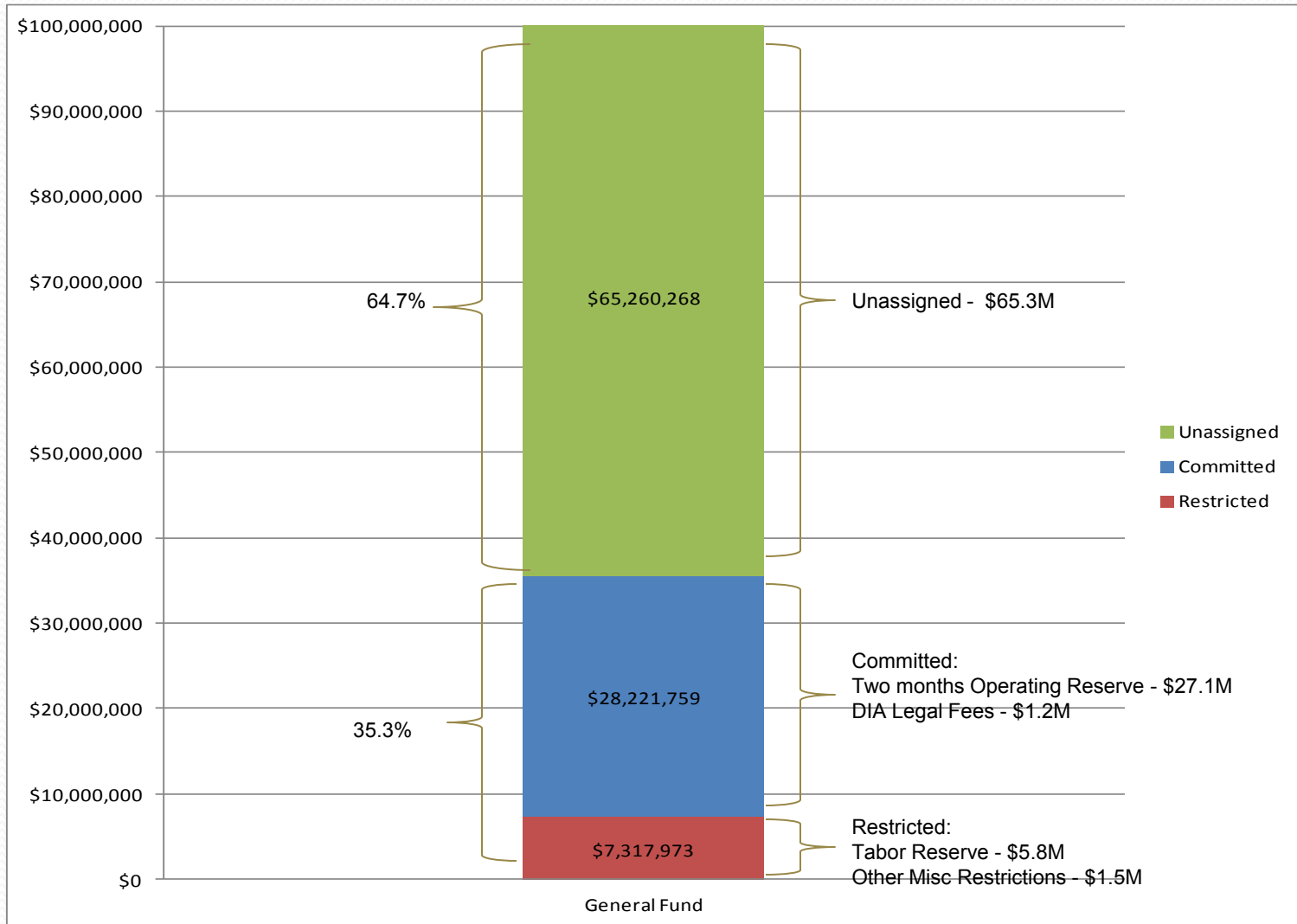
\*Includes Sheriff's Office Booking Fees, Sheriff Intelligence Fees, Public Land Dedication Fees, and Special Transit Funds.

# General Fund Estimated Fund Balance by County as of 01/01/2016



Percentages show in above graph represent the percentage of fund balance to operating expenditures.

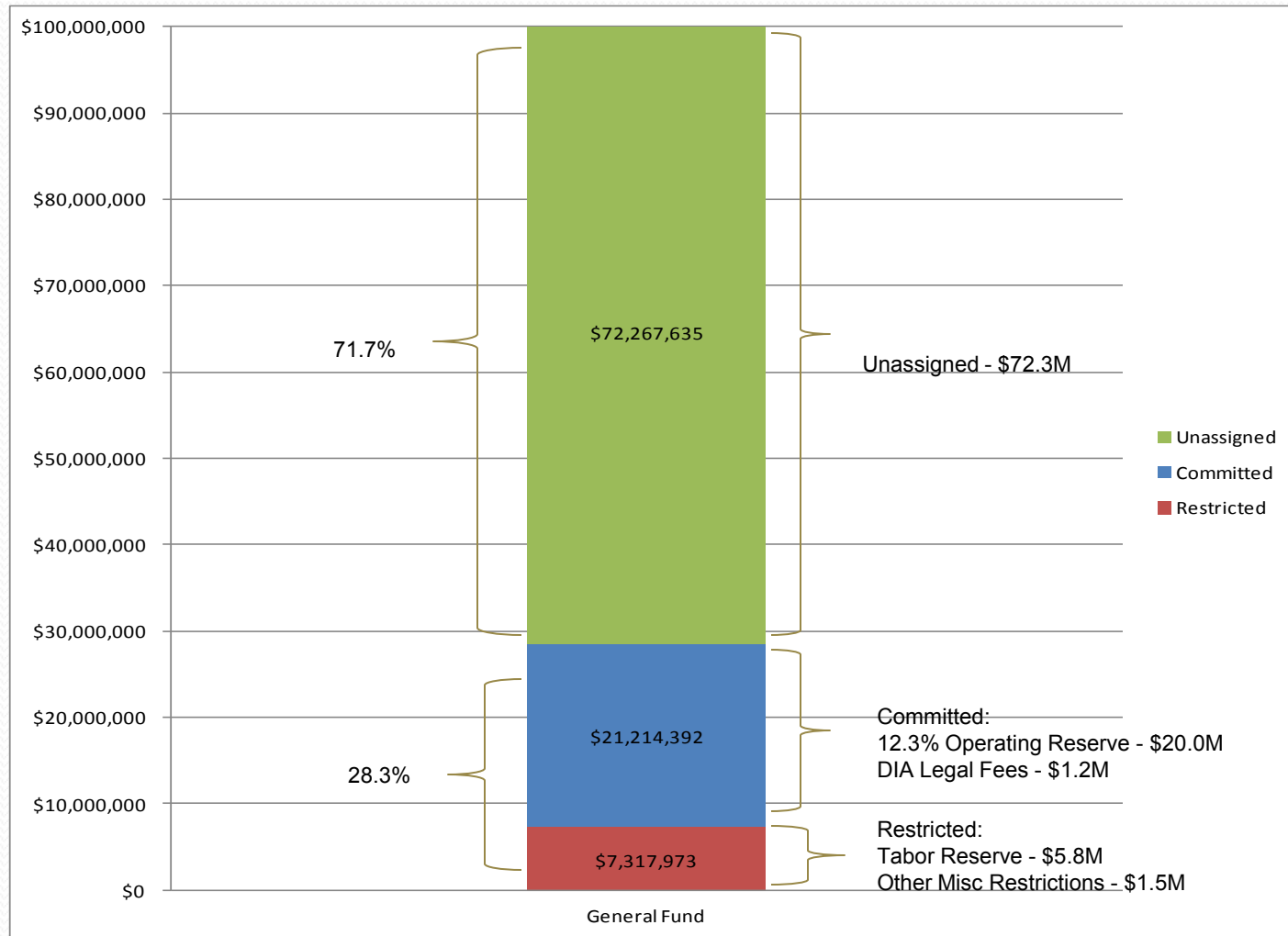
# Fund Balance Option 1



Option 1: Restricted includes TABOR Reserve and Other Misc Restrictions. Within the Committed Fund Balance is a Two Month Operating Reserve.

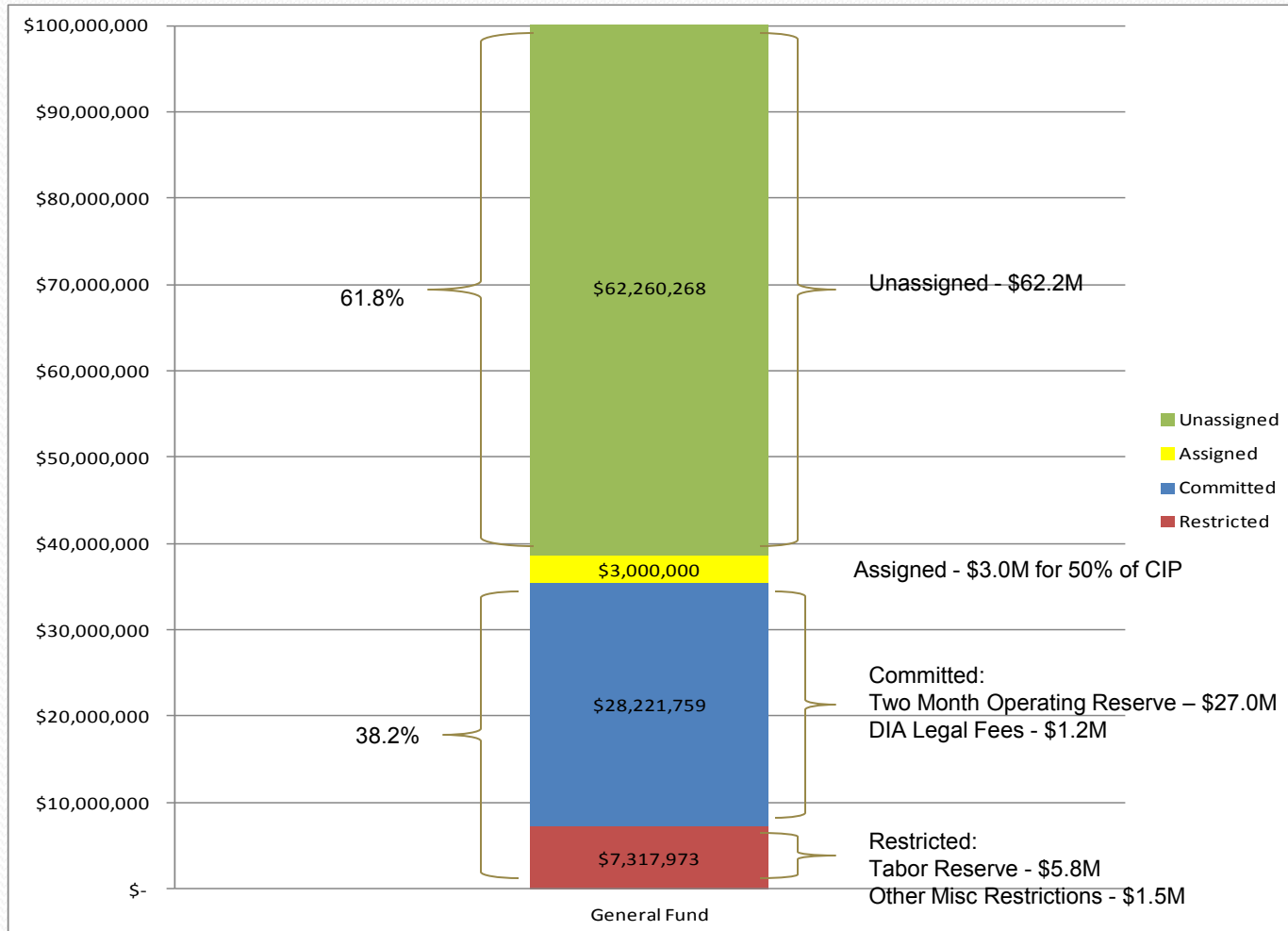


## Fund Balance Option 2



Option 2: Restricted includes TABOR Reserve and Other Misc. Restrictions. Within the Committed Fund Balance is a 12.3% Operating Reserve (average of other jurisdictions).

## Fund Balance Option 3



Option 3: Restricted includes TABOR Reserve, and Other Misc. Restrictions. Within the Committed Fund Balance is a Two Month Operating Reserve. Within assigned is 50% of the next year's CIP amount.

## Pros and Cons of Fund Balance Options:

- Option 1
  - Increased availability for use from current levels.
  - Less in committed reserve status, but more in line with other jurisdictions.
- Option 2
  - Aligned more with other comparable jurisdictions.
  - Less in committed reserve status, but more in line with other jurisdictions.
- Option 3
  - Uses the assigned designation for upcoming CIP.
  - Less in committed reserve status, but more in line with other jurisdictions.

# Use and Replenishment Policy

- Use of fund balance if already included in the Capital Improvement Plan.
- Use of fund balance to be tied to Board of County Commissioner's Strategic Plan
- Use of the TABOR Reserve and/or operating reserves must be replaced within two years. If necessary, this time frame may be extended by resolution in one year increments.

# Next Steps-

November 15 & 21—Available Study Session Dates

December 6—First Reading of 2017 Preliminary Budget

December 13—Adoption of 2017 Adams County Budget



Government Finance Officers Association

## BEST PRACTICE

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# Appropriate Level of Unrestricted Fund Balance in the General Fund

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### BACKGROUND:

In the context of financial reporting, the term *fund balance* is used to describe the net position of governmental funds calculated in accordance with generally accepted accounting principles (GAAP). Budget professionals commonly use this same term to describe the net position of governmental funds calculated on a government's budgetary basis.<sup>1</sup> While in both cases *fund balance* is intended to serve as a measure of the financial resources available in a governmental fund; it is essential that differences between GAAP *fund balance* and budgetary *fund balance* be fully appreciated.

1. GAAP financial statements report up to five separate categories of fund balance based on the type and source of constraints placed on how resources can be spent (presented in descending order from most constraining to least constraining): *nonspendable fund balance*, *restricted fund balance*, *committed fund balance*, *assigned fund balance*, and *unassigned fund balance*.<sup>2</sup> The total of the amounts in these last three categories (where the only constraint on spending, if any, is imposed by the government itself) is termed *unrestricted fund balance*. In contrast, budgetary fund balance, while it is subject to the same constraints on spending as GAAP fund balance, typically represents simply the total amount accumulated from prior years at a point in time.
2. The calculation of GAAP fund balance and budgetary fund balance sometimes is complicated by the use of sub-funds within the general fund. In such cases, GAAP fund balance includes amounts from all of the subfunds, whereas budgetary fund balance typically does not.
3. Often the timing of the recognition of revenues and expenditures is different for purposes of GAAP financial reporting and budgeting. For example, encumbrances arising from purchase orders often are recognized as expenditures for budgetary purposes, but never for the preparation of GAAP financial statements.

The effect of these and other differences on the amounts reported as *GAAP fund balance* and *budgetary fund balance* in the general fund should be clarified, understood, and documented.

It is essential that governments maintain adequate levels of fund balance to mitigate current and future risks (e.g., revenue shortfalls and unanticipated expenditures) and to ensure stable tax rates. In most cases, discussions of fund balance will properly focus on a government's general fund. Nonetheless, financial resources available in other funds should also be considered in assessing the adequacy of unrestricted fund balance in the general fund.

### RECOMMENDATION:

GFOA recommends that governments establish a formal policy on the level of unrestricted fund balance that should be maintained in the general fund for GAAP and budgetary purposes.<sup>3</sup> Such a

guideline should be set by the appropriate policy body and articulate a framework and process for how the government would increase or decrease the level of unrestricted fund balance over a specific time period.<sup>4</sup> In particular, governments should provide broad guidance in the policy for how resources will be directed to replenish fund balance should the balance fall below the level prescribed.

*Appropriate Level.* The adequacy of unrestricted fund balance in the general fund should take into account each government's own unique circumstances. For example, governments that may be vulnerable to natural disasters, more dependent on a volatile revenue source, or potentially subject to cuts in state aid and/or federal grants may need to maintain a higher level in the unrestricted fund balance. Articulating these risks in a fund balance policy makes it easier to explain to stakeholders the rationale for a seemingly higher than normal level of fund balance that protects taxpayers and employees from unexpected changes in financial condition. Nevertheless, GFOA recommends, at a minimum, that general-purpose governments, regardless of size, maintain unrestricted budgetary fund balance in their general fund of no less than two months of regular general fund operating revenues or regular general fund operating expenditures.<sup>5</sup> The choice of revenues or expenditures as a basis of comparison may be dictated by what is more predictable in a government's particular circumstances.<sup>6</sup> Furthermore, a government's particular situation often may require a level of unrestricted fund balance in the general fund significantly in excess of this recommended minimum level. In any case, such measures should be applied within the context of long-term forecasting, thereby avoiding the risk of placing too much emphasis upon the level of unrestricted fund balance in the general fund at any one time. In establishing a policy governing the level of unrestricted fund balance in the general fund, a government should consider a variety of factors, including:

1. The predictability of its revenues and the volatility of its expenditures (i.e., higher levels of unrestricted fund balance may be needed if significant revenue sources are subject to unpredictable fluctuations or if operating expenditures are highly volatile);
2. Its perceived exposure to significant one-time outlays (e.g., disasters, immediate capital needs, state budget cuts);
3. The potential drain upon general fund resources from other funds, as well as, the availability of resources in other funds;
4. The potential impact on the entity's bond ratings and the corresponding increased cost of borrowed funds;
5. Commitments and assignments (i.e., governments may wish to maintain higher levels of unrestricted fund balance to compensate for any portion of unrestricted fund balance already committed or assigned by the government for a specific purpose). Governments may deem it appropriate to exclude from consideration resources that have been committed or assigned to some other purpose and focus on unassigned fund balance, rather than on unrestricted fund balance.

*Use and Replenishment.*

The fund balance policy should define conditions warranting its use, and if a fund balance falls below the government's policy level, a solid plan to replenish it. In that context, the fund balance policy should:

1. Define the time period within which and contingencies for which fund balances will be used;
2. Describe how the government's expenditure and/or revenue levels will be adjusted to match any new economic realities that are behind the use of fund balance as a financing bridge;
3. Describe the time period over which the components of fund balance will be replenished and the means by which they will be replenished.

Generally, governments should seek to replenish their fund balances within one to three years of use. Specifically, factors influencing the replenishment time horizon include:

1. The budgetary reasons behind the fund balance targets;
2. Recovering from an extreme event;
3. Political continuity;
4. Financial planning time horizons;
5. Long-term forecasts and economic conditions;
6. External financing expectations.

Revenue sources that would typically be looked to for replenishment of a fund balance include nonrecurring revenues, budget surpluses, and excess resources in other funds (if legally permissible and there is a defensible rationale). Year-end surpluses are an appropriate source for replenishing fund balance.

*Unrestricted Fund Balance Above Formal Policy Requirement.* In some cases, governments can find themselves in a position with an amount of unrestricted fund balance in the general fund over their formal policy reserve requirement even after taking into account potential financial risks in the foreseeable future. Amounts over the formal policy may reflect a structural trend, in which case governments should consider a policy as to how this would be addressed. Additionally, an education or communication strategy, or at a minimum, explanation of large changes in fund balance is encouraged. In all cases, use of those funds should be prohibited as a funding source for ongoing recurring expenditures.

**Notes:**

1. For the sake of clarity, this recommended practice uses the terms GAAP fund balance and budgetary fund balance to distinguish these two different uses of the same term.
2. These categories are set forth in Governmental Accounting Standards Board (GASB) Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions*.
3. Sometimes restricted fund balance includes resources available to finance items that typically would require the use of unrestricted fund balance (e.g., a contingency reserve). In that case, such amounts should be included as part of unrestricted fund balance for purposes of analysis.
4. See Recommended Practice 4.1 of the National Advisory Council on State and Local Budgeting governments on the need to "maintain a prudent level of financial resources to protect against reducing service levels or raising taxes and fees because of temporary revenue shortfalls or unpredicted one-time expenditures" (Recommended Practice 4.1).
5. In practice, a level of unrestricted fund balance significantly lower than the recommended minimum may be appropriate for states and America's largest governments (e.g., cities, counties, and school districts) because they often are in a better position to predict contingencies (for the same reason that an insurance company can more readily predict the number of accidents for a pool of 500,000 drivers than for a pool of fifty), and because their revenues and expenditures often are more diversified and thus potentially less subject to volatility.
6. In either case, unusual items that would distort trends (e.g., one-time revenues and expenditures) should be excluded, whereas recurring transfers should be included. Once the decision has been made to compare unrestricted fund balance to either revenues and/or expenditures, that decision should be followed consistently from period to period.



that conduct business with the County, and they shall subordinate their personal investment transactions to those of the County.

#### Reports

On a monthly basis, the portfolio shall be marked-to-market. Then, on at least a quarterly basis, the Treasurer may submit to the Investment Advisory Committee a report listing the investments held by the County. The report shall be submitted within 20 days following the end of each calendar quarter and contain the following information:

- A summary of portfolio characteristics, balances, risk diversification and performance.
- A list of individual securities held at the end of the reporting period by investment descriptions.
- Maturity date and purchase date of all investments held.
- Coupon and yield.
- Par value, amortized book value and market value.
- Percentage of the portfolio represented by each investment category.

#### Debt Policy

- Debt will not be used to finance current operating expenses.
- The debt period shall not exceed the anticipated useful life of the project or improvement.
- The county will confine long-term borrowing to major capital purchases or projects that cannot be financed from current operating revenues.
- The BoCC is authorized to execute lease agreements on behalf of the county.
- General obligation debt shall not exceed the statutory 1.5% of the assessed valuation of county property. The Finance Department will monitor general obligation debt to ensure compliance with legal debt limitations.
- Only the BoCC may issue general obligation bonds to provide funds for the acquisition, construction, reconstruction, or repair of major capital facilities.
- The registered qualified voters of the county must approve issuance of general obligation debt.
- General obligation debt issues will be limited to twenty years.
- General obligation funds must be registered by the county, bear the county seal and a serial number, and state face value.
- The BoCC may choose to issue revenue bonds to finance major capital expenditures when it is possible to pledge non-tax revenue for debt repayment.
- When appropriate, the county will work in conjunction with the Adams County Building Authority in financing major capital projects or improvements.
- The county will make every effort to obtain the best possible bond rating and to maintain a favorable rating through prudent financial management and adherence to a policy of full disclosure on financial reports.

#### Fund Balance Policy

As a part of financial policy, local governments should have a formal policy regarding the level of restricted and unrestricted fund balance that they wish to, or must, maintain for contingencies and other purposes. An important reason for developing such a policy is to provide decision makers and taxpayers with an explanation of why financial resources have been set aside and the conditions under which such resources will be expended. Fund balance is the difference between assets and liabilities in a fund.

Adams County Government maintains a specific fund balance policy that is compliant with the Governmental Accounting Standards Board's Statement No. 54 (GASB 54). Adams County further classifies fund balance as either non-discretionary or discretionary, and also continually evaluates the minimum amount of the

discretionary level of the fund balance, which shall be maintained. Adams County considers non-spendable, restricted, and committed to be non-discretionary and assigned and unassigned fund balance to be discretionary. The BoCC sets the policy on the committed level of fund balance.

#### Non-Discretionary Fund Balance

The county has established 20 individual funds for the purpose of recording financial resources received and expended by the county. All funds excluding the general fund have been established for a specific purpose. The general fund accounts for financial resources not required to be otherwise segregated. Since all funds excluding the general fund have been established for a specific purpose, the fund balances within these funds are all considered non-discretionary. In addition, a portion of the general fund's fund balance is also considered non-discretionary. Each of the 20 fund balances containing a non-discretionary fund balance is outlined below.

- General Fund
  - A portion of the general fund's fund balance is considered non-discretionary and includes the following categories:
    - Non-Spendable – items such as inventory, long term receivables, or intergovernmental loans, etc. as applicable.
    - Restricted – items such as the Tax Payer Bill of Rights (TABOR) reserve, debt reserves, etc., that are constrained to specific purposes by their providers through constitutional provision, enabling legislation, or other externally imposed criteria that qualifies or is required to be classified as restricted.
    - Committed – items that are constrained by the government for specific purposes by the government itself, such as the strategic fund balance reserve. The strategic fund balance reserve is set at \$39,747,015 for 2012 through 2015. This amount is 33% of 2013's total property taxes collected by the county for its purposes. The strategic reserve may be used to accommodate expenditures needed in the event of an emergency as declared by the BoCC to continue operations and for economic stabilization, which could be triggered if the county experienced a property tax revenue decline of 10% or more from the previous year. However, the strategic reserve shall maintain a minimum balance of \$7,000,000 for cash flow purposes. If used, the county shall specifically identify use of the strategic fund balance reserve by adopting and/or amending the budget by resolution. The funds must be replaced within 2 years of use. However, if necessary, the strategic reserve replacement period may be extended by resolution in one-year increments. This amount will be re-evaluated during the 2016 budget process.
- Special Revenue Funds
  - Federal Grant Funds (4): These funds are utilized to account for revenues and expenditures related to federal grant programs and include the Community Development Block Grant (CDBG), Community Services Block Grant (CSBG), Workforce and Business Center, and Head Start. Generally these funds do not accumulate fund balances. However, any fund balance accumulated must be utilized for purposes specifically for which the funds were intended.
  - Conservation Trust Fund: The fund balance is generally comprised of lottery funds received from the State of Colorado specifically for development, renovation, and maintenance of the county parks, trail system, and open space.
  - Open Space Sales Tax Fund: This fund, created for the administration and collection of a voter-approved sales tax, began in 2000. The current sales tax rate is 0.25%. Tax revenues plus interest earned are designated for the preservation of open space. After deducting 2% of sales taxes for administrative purposes, 30% of the remaining taxes collected are remitted to the cities within the county and the county in proportion to the ratio at which taxes are collected. The other 70% of remaining funds are distributed as grants approved by the BoCC as recommended by the Open Space Advisory Board.

- Open Space Projects Fund: This fund accounts for revenues derived from various sources such as open space grants, contributions, donations, the county's share of the 30% receipts from the open space sales tax, and other revenue sources deemed appropriate for the purposes of purchasing conservation easements, any interest in land or other enhancements or properties that the county may determine appropriate for active or passive open space.
- Social Services Fund: Accounts for programs intended for individuals requiring social services assistance. There are three primary sources of revenue deposited into this fund: county property tax, state funding, and federal funding. The fund balance is considered accumulated unexpended property tax dollars to be utilized for future specific social service needs; however, there are several restrictions for specific social services programs.
- DIA Noise Mitigation Fund: This fund was created in 2003 and accounts for revenues and expenditures associated with payments made related to noise mitigation. Revenues received from settlement with Denver International Airport (DIA) for violations, including interest earned there from, were restricted by the District Court in Jefferson County, which required the creating of this special fund. The monies in the fund shall be used according to an approved plan to mitigate the impacts of airport noise on eligible county residents.
- Developmentally Disabled Fund: This fund accounts for unexpended property tax revenue designated for the specific purpose of contributing to developmental disability programs provided by selected organizations in the county.
- Road & Bridge Fund: The entire fund balance is comprised of unexpended property taxes, specific ownership taxes, transportation related sales taxes, traffic impact fees, and other revenues designated for future road and bridge construction and rehabilitation related activities. The county maintains a \$1,000,000 minimum assigned fund balance for emergency road and bridge related repairs or projects. If used, the county shall specifically identify use of the minimum fund balance by adopting and or amending the budget by resolution and the funds must be replaced within two years of use. If necessary, the strategic reserve replacement period may be extended by resolution in one-year increments.
- Waste Management Fund: This fund includes unexpended fees imposed upon operators of waste disposal sites within the county designated specifically for the purpose of mitigating possible future environmental problems associated with waste disposal activities.
- Capital Project Funds
  - Capital Facilities Fund: This fund was created for the collection of a 0.3% voter approved sales tax (2009-2028) that will be used for capital facilities projects, including the courthouse expansion, government center, and pre-trial holding facility and their related costs.
- Enterprise Funds
  - Golf Course Fund: The fund balance is to be used for cash flow purposes, future capital replacement, and future enhancements to the two county-owned 18-hole golf courses.
  - Stormwater Utility Fund: This fund is to be used for the stormwater utility activities. Any accumulated fund balance is to be used for related purposes.
  - Front Range Airport Fund: This fund is used for the county's general aviation airport.
  - Wastewater Treatment Fund: This fund covers the operations of the wastewater treatment plant at Front Range Airport.
- Internal Service Funds
  - Fleet Management Fund: The fund balance is entirely designated for future capital replacement of county owned vehicles and heavy equipment.
  - Insurance Fund: The entire balance in this fund is designated for existing and future liabilities resulting from unemployment, workers' compensation, and property/casualty self funded insurance programs. The fund balance is also designated for costs associated with a possible future natural disaster in which the county's maximum insurance coverage would be exceeded. The county's insurance fund has built up several reserves in the past to handle future contingent events. These reserves were the

result of accumulated property tax, which was used to fund insurance activities prior to 1995. At that time, the county accounted for insurance transactions in a special revenue fund. In 1995, GAAP accounting rules caused the county to change the way self-insurance costs were handled and as a result, the county created an internal service fund. The fund balance from the special revenue fund was transferred to the new internal service fund as contributed capital. After GASB 34 changed the way internal service funds are accounted for, the contributed capital balance became net assets.

#### Discretionary Fund Balance

A portion of the general fund's fund balance is considered discretionary. The discretionary fund balance includes the assigned and unassigned fund balance categories. The term discretionary as used in the county fund balance policy is defined as the balance above the non-discretionary level which may be utilized to fund expenditures which have a minimal impact on future operating costs, such as capital equipment replacement, facility/infrastructure projects, and other special projects. The discretionary fund balance may also provide temporary operational funding of county programs and services during a recessionary period where it is expected to bridge a temporary (generally accepted as one to four years) funding gap or to allow the county to strategically align its budget with lower revenues. The level of the discretionary fund balance will fluctuate with the general health of the economy.

The policy of allowing the fund balance to fluctuate came about as a result of the passage of the TABOR amendment in 1992, which requires voter approval of any tax rate change. The county is unable to increase the mill levy to offset decreases in property values and property tax revenues without such an election. Therefore, the county must rely on the discretionary portion of the fund balance to provide temporary operational support for programs and services until property values increase or until voters approve an increase in the mill levy to offset decreases in property values.

Assigned fund balance includes items set aside by the government itself for use for a specific purpose. These set asides could be for subsequent year expenditures, residual fund balances, or designated purposes. The BoCC has the authority to assign unrestricted fund balance amounts where the county's intent is for those amounts to be used for specific purposes. The county's policy delegates that authority to the County Administrator and/or the Finance Director. However, the delegation of authority is for the sole purpose of reporting such amounts in the annual financial statements.

Additionally, the county maintains a minimum level for discretionary fund balance in the unassigned category of fund balance. The level of minimum discretionary fund balance is currently set at \$6,022,275 for 2012 through 2015. The amount is 5% of 2013's total property taxes collected by the county for its purposes of net property tax collections in all funds. The BoCC can adjust the minimum level at its discretion, based upon the general health of the local economy. Use of the minimum fund balance may be used for specific desired projects and such use should be identified specifically in an original adoption or supplemental appropriation resolution as a use of the minimum discretionary fund balance. The funds must be replaced within two years of use. If necessary, the minimum discretionary fund balance replacement period may be extended by resolution in one-year increments. Accumulated discretionary fund balances in excess of the established minimum should not be budgeted for recurring operating expenditures except as necessary and/or during recessionary periods when the county is experiencing decreasing revenues.

The county's fund balance policy may be adjusted as needed by resolution of the BoCC.

#### Capital Outlay/Infrastructure Policy

Four possible avenues, used exclusively or in combination, are available to provide funding for the annual capital and infrastructure requirements in the county. These are (1) unreserved/non-designated fund balances; (2) pay-