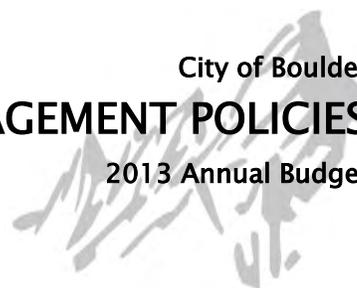


CITYWIDE FINANCIAL AND MANAGEMENT POLICIES

2013 Annual Budget



Section 1 – General Information

- 1.1 **Annual Budget Submittal** – Annual budgets shall be balanced. Budgeted expenditures and transfers-out will not exceed reasonable projection of the sum of current year revenues, transfers-in, and available fund balances. One time revenues shall only be used to cover one time costs. Ongoing revenues shall be used to cover ongoing costs. Debt shall not be utilized for operating expenses.¹
- 1.2 **Budget Process** – An annual budget shall be adopted every year by December 1st prior to the budget period.²
- 1.3 **Budget Preparation** – While the Charter establishes time limits and the essential content of the City Manager's proposed budget, the budget preparation process is not prescribed. The preparation process is developed by the City Manager with input from the City Council.
- 1.4 **Changes to Adopted Budget** – Normally, initial appropriations (excluding carryovers and encumbrances) will be made only in the context of the annual budget process when all city needs can be reviewed and prioritized in a comprehensive manner. The annual budget process will also include a projection of the multi-year impact of decisions.³ Two annual, one time adjustments to the initial appropriations may be submitted to City Council for approval.

Section 2 – Revenue Policies

- 2.1 **Property Tax** – Mill levies shall be certified at the 1992 mill levy rate. A temporary mill levy credit shall also be certified whenever the calculated revenue forecast exceeds the calculated revenue limitation by more than 1/10th of a mill.⁴
- 2.2 **Revenue Review and Projection** – The city reviews estimated revenue and fee schedules as part of the budget process. Estimated revenue is projected in a "most likely" scenario for five years and updated annually. A long-range financial plan that accounts for long-term revenue and expenditures is updated every 5 years. Proposed rate increases are based upon Citywide Pricing Policy Guidelines that were adopted by Council in 1994. User fees shall be aligned with these guidelines over a five-year period.



2.3 User Fee Guidelines – The general guidelines of the City of Boulder regarding user fees are based upon the following considerations:

A. Full Cost Recovery

1. The individual or group using the service is the primary beneficiary.
2. The level of service use attributed to a user is known.
3. Administrative cost of imposing and collecting the fee is not excessive.
4. Imposing a full cost fee would not place the city at a competitive disadvantage.
5. The service is usually provided by the private sector, but may also be provided by the public sector.

B. Partial Cost Recovery

1. Services benefit those who participate but the community at large also benefits.
2. The level of service use attributed to a user is known.
3. Administrative costs of imposing and collecting the fee are not excessive.
4. Imposing a full cost fee would place the city at a competitive disadvantage.
5. The service is usually provided by the public sector, but may also be provided by the private sector.

C. No-Cost Recovery

(a service does not have to meet every criterion)

1. The service is equally available to everyone in the community and should benefit everyone.
2. Because the service is basic, it is difficult to determine benefits received by one user.
3. The level of service attributable to a user is not known.
4. Administrative costs of imposing and collecting a fee exceed revenue expected from the fee.
5. Imposing the fee would place the city at a serious competitive disadvantage.
6. The service is primarily provided by the public sector.
7. Charging a fee would result in undesirable behavior.

D. "Enterprise" or "Profit" Center

(a service does not have to meet every criterion)

1. Individuals or groups benefit from the service and there is little community benefit.
2. The level of service use attributable to a user is known.
3. There is excess demand for the service; therefore, allocation of limited services is required.
4. Administrative cost of imposing and collecting the fee is not excessive.
5. The service is provided at market price by the private sector.



E. Other Considerations

1. Nonresidents do not pay the full level of city taxes. Therefore, nonresidents will usually pay a premium of 25% above the standard fee for the service.
2. The city currently defines "Direct Costs" as costs that are all the specific, identifiable expenses associated with the actual provision of a service.
3. "Indirect Costs" can include departmental overhead costs such as administrative costs and operating reserve account as well as city overhead costs. City overhead costs include the costs of all the city's general support services.

Departments, when establishing fees, should identify whether a fee recovers the full cost, (sum of direct and indirect costs), partial cost or is a market rate fee.

- 2.3a User Fee Subsidies** – After a fee has been set at a either a full cost recovery, partial cost recovery, or market level, any subsidy or reduced rate user fee offered by the city of Boulder will be based primarily on economic or financial need. The basis for determining financial need will be 50% of the average median income (AMI) for Boulder County. In addition, programs that include a subsidy or reduced rate component are available to City of Boulder residents only.
- 2.4 Asset Forfeiture Revenue** – To create a long-term funding source from limited and uncertain revenue, asset forfeiture/seizure revenue resulting from crime prevention/apprehension activities by the Police Department shall be conceptually considered as "endowment" funds and the principal shall be held in reserve. With the exception of occasional exceptional unanticipated unfunded needs, only interest earnings on the principal shall be allocated for expenditures.
- 2.5 Accrued Interest for Earmarked Funds** – The determination of whether earmarked funds shall accrue interest income is whether the General Fund costs required to collect and administer such funds are allocated to the subject funds. Interest income shall not be distributed to funds unless they are bearing their appropriate allocation of administrative costs.
- 2.6 Unspent Revenues** – On an annual basis, any unspent revenues subject to and in compliance with the associated limitations of Amendment #1 revenue and spending constraints shall be "reserved" and therefore will be considered "spending" in the current fiscal year.
- 2.7 Excise Taxes** – In November 1998, the electorate approved a ballot issue that increased the current excise tax rates by an inflationary factor. The rate will be



adjusted annually by an inflation factor until the maximum amount included in the ballot issue is reached. ⁵

2.7a Education Excise Tax– In June 2003, City Council approved the following policy guidelines pertaining to Education Excise Tax. City Council reviewed and updated these guidelines in July 2007:

Education Excise Tax revenues shall be used only for one time capital and non-capital expenditures to the extent permitted by state law.

Education Excise Tax revenues may be used to:

- Help fund facilities needed to serve new growth
- Improve or renovate existing facilities
- Enhance the viability of existing facilities, including recreational facilities
- Fund tax refunds or set-offs relating to education purposes
- Purchase properties to preserve them for future educational purposes.

Education Excise Tax revenues shall be expended in a manner that supports both Boulder Valley School District and city of Boulder needs and objectives. An evaluation of city needs and objectives should be informed by reference to the city's community sustainability goals.

Potential projects for Education Excise Tax expenditures may be proposed by either the city of Boulder or the Boulder Valley School District. In either event, both organizations shall be informed of any proposal, and direction provided first by Council's Boulder Valley School District Issues Committee then from the full City Council, prior to the commencement of any formal evaluation or consideration of such proposal. As may become necessary, Council may direct consideration of one or more proposals to occur in a forum where input by the community and the Boulder Valley School District may be solicited.

2.8 Utility Charges – The city reviews estimated revenues and fee schedules as part of the budget process. Estimated revenue and expenditures are projected for five years and updated annually. Proposed rate increases to monthly user fees are developed using a cost-of-service methodology which includes the following:

- Determination of the Utility's revenue requirements for operations, maintenance, and capital construction
- Ability of the Utility to maintain adequate reserves and meet debt service coverage requirements



- Analysis of customer demands and usage characteristics
- Allocation of revenue requirements to customer service characteristics
- Development and design of rates schedules.

Other charges for specific services are designed to recover costs and follow the guidelines of the Citywide Pricing Policy adopted by Council in 1994.

Plant Investment Fees are one time charges to customers connecting to the utility system, are based on the replacement value of the utility assets, and are reviewed every 3–5 years.

Section 3 – Financial Administration

- 3.1 General Information** – The city's fiscal year shall be the calendar year. The Department of Finance shall collect taxes and maintain financial records.⁶
- 3.2 Administrative Charges** – The city shall employ a cost allocation system to identify the full cost of providing services to the public and recover certain costs incurred by various funds in providing support services to other city departments. The system shall accomplish the following objectives:
- a. Complete recovery of costs incurred with the exception of the costs of "general governance"
 - b. Equitable allocation of costs to users
 - c. Provision of incentives for service providers to deliver products and services efficiently and effectively
 - d. Provision of a stable cost allocation system to facilitate the organization's budgeting for charges and revenues
 - e. Promotion of customer confidence in and acceptance of the accuracy, reasonableness, and fairness of the charges they incur.

Charges for "general governance" (City Council, City Clerk Council support and elections, etc.) shall not be cost allocated to restricted funds but instead shall be totally funded out of the General Fund. The "general governance" category shall not include election costs for ballot issues related to funds with earmarked revenue sources. Costs for non-General Fund ballot issues shall be charged to the appropriate fund.

The Boulder Housing Partners (formerly the Housing Authority) shall not be charged for services provided by General Fund Departments. Such costs will be borne by the General Fund.



- 3.3 Building Maintenance/Renovation** – To protect city investment in facilities, funds shall be budgeted annually for maintenance of such facilities. To extend the life of these assets, the goal shall be to increase the funds budgeted annually for maintenance of facilities to approximately 2 percent of the replacement cost (with the exception of debt financed facilities).

These funds may be utilized for facility maintenance, reserved for facility replacement, or utilized for debt service payments for facility related projects pursuant to a long term plan based upon the condition of each facility. If the 2 percent funding goal cannot be reached in any given year due to funding constraints, the expected result will be an increase in the maintenance backlog equal to the funding shortfall. The Facilities and Asset Manager will prioritize maintenance/renovation needs to ensure that critical systems are properly maintained so that facility safety and operations continue without interruption. Lower priority work will be postponed until funding is available to complete these tasks.

The Facilities & Asset Manager will report the amount of maintenance backlog and any impacts on facility safety and operations annually during the budget process. If/when the revenue base permits, facility maintenance funding shall be given a high priority before consideration of other service restorations or additions.

- 3.4 Building Replacement Costs** – Where debt payments are being made for city buildings, if the revenue source(s) do not sunset when the debt is retired, the ongoing revenue will be allocated to a building replacement fund. If the funding source does sunset, replacement resources for the building shall usually come from new or extended revenue leveraged by bonding.
- 3.5 Equipment Replacement Costs** – Funds shall be reserved annually for replacement of city equipment and these costs will be reflected in the operating expenditures of the activity using the equipment, to facilitate accurate costing of service delivery.
- 3.6 Vehicle Replacement Costs** – Vehicles shall normally be purchased rather than leased, and a vehicle replacement fund shall be maintained for replacement of vehicles at the end of their useful life. In the limited situations where vehicles may be leased (temporary vehicles, fire apparatus, etc.) specific approval by the City Manager is required.
- 3.6a Vehicle Changes** – It is the expectation of the City Manager's Office that all departments will meet the objectives of the Fleet Evaluation Study. These objectives are: no increase in miles driven in the conduct of city business, and no net increase in the number of fleet units.



- 3.7 Computer Replacement Costs** – Computer replacement funds shall be created to level out spending for microcomputer and network related hardware and software and ensure that adequate replacement funds are available when equipment reaches the end of its useful life. Through 2006, this fund was expected to cover 80% of the General Fund replacement costs. The remaining 20% of costs were covered in individual departmental budgets and restricted funds were expected to reserve funds necessary to cover 100% of their microcomputer and network related hardware and software replacement costs.

As of 2007, departments were expected to contribute 100% of the replacement costs, including related hardware, software and support costs, for any additional computers purchased. In 2011 the remaining General Fund subsidy portion of the fund was distributed to departments, on a per computer basis. As of 2011, departments are expected to budget 100% of their microcomputer and network related hardware and software replacement costs, to be transferred to the Computer Replacement Fund.

- 3.8 Technology Improvements** – Recognizing the contribution of technology in efficient and effective service provision, improvements in technology shall be important considerations in resource allocations.
- 3.9 General Fund Annual Savings** – The General Fund emergency/stabilization reserve shall be maintained at a 10% minimum and a 15% maximum, as conditions allow.
- 3.10 Grant Expenditures** – Expenditures related to grants shall continue only during the period of time they are funded by the grant. Any grant employees will be considered fixed term. The City Manager shall appoint a Grants Committee of Finance and Budget staff to review applications for new grants before they are submitted to the granting agency.
- 3.11 Property and Casualty and Workers Compensation Funds** – Both the Property and Casualty and the Workers' Compensation liability will be self-insured. The goal for both is to fully fund an actuarially calculated liability as of the end of the prior year at the appropriate confidence level. An actuarial study will be completed every two years in order to determine the appropriate reserve levels.
- 3.12 Accumulated Sick, Vacation Time, and Appreciation Bonus** – To facilitate the long-term financial sustainability of the city, liabilities associated with accumulated sick time, vacation time, appreciation bonuses, and/or any other employee benefits that would result in liability upon termination or retirement shall be fully funded. This funding will be set aside in the Compensated Absences Fund for General Fund liabilities and as reserves in each of the restricted funds.



3.13 Compensation Policy – The City of Boulder is dedicated to delivering responsive, high-quality, innovative services that meet or exceed the expectations of the people we serve in a fiscally-responsible manner. The city’s total compensation program builds and reinforces a high performance culture that drives excellence, innovation, collaboration, continuous learning, and accountability. The program supports responsible stewardship of public funds, and enables the city to attract, engage, empower and retain exceedingly talented employees who are committed to serving our community. Our expectations of employees are high, and we reward our employees in tangible and intangible ways, consistent with our total compensation philosophy.

City employees do important work and contribute to an organization that sets the standard for public service and administration.

They participate in a community that provides exceptional cultural, recreational and educational opportunities and an organization that is dedicated to the well-being of the individual, the community and the environment.

We provide an attractive employment package, consistent with the level of skill, professionalism and dedication we expect of our employees. Our goal is to provide:

- An inclusive, respectful, work environment
- A total compensation package that includes competitive base salaries and employee benefits that contribute to employee health, safety, productivity and well-being
- Compensation that is equitable for the employee’s knowledge, skills, experience and contributions relative to the job they perform
- Recognition and rewards linked to individual and team contributions to city goal achievement
- Growth and development consistent with individual goals and capabilities and City needs.

The city’s total compensation philosophy is implemented in a manner that recognizes the city’s diverse operations and employment markets and is consistent with its ability to pay.

Section 4 – Capital Improvement Plans

4.1 Capital Improvement Plan (CIP) Submission – While the Charter establishes time limits and the essential content of the City Manager’s proposed CIP budget, the budget preparation process is not prescribed. The preparation process is developed by the City Manager with input from the City Council.⁷

4.2 Inclusion of Operating Costs – Prior to approval of capital projects, associated operating costs must be included in balanced multi-year operating budgets.



- 4.3 CIP Contingency Funds** – CIP contingency funds may be expended by the Project Manager, with Director approval, for unanticipated needs or changes that are within the original scope of the project. The "scope of the project" is defined as the description of the project presented with the CIP that clearly defines the parameters, objectives, and budget of the project. Requested modifications exceeding the original scope of the project shall be presented to Council for approval.
- 4.4 CIP Arts Funding** – Where feasible, project managers, when designing capital projects, should incorporate public art into the design.

Section 5 – Pension Plan Policies

- 5.1 Authorization to Expend Funds for Administrative Costs** – If budgetary conditions permit, the city may authorize defined contribution (money purchase) pension plans to expend certain forfeiture funds for administrative costs. The plan board(s) may submit a request annually to the City Manager to be considered in the context of the city's annual budget process.
- 5.2 Increase for "Old Hire" Police and Fire Pension Plans** – "Ad hoc"/cost of living increases for retirees of the Old Hire Police and Old Hire Fire Pension Plans will be funded only if adequate funds are available, on an actuarially sound basis, from existing plan assets.

Section 6 – Debt Policies

- 6.1 Policy Statement** – Debt shall be considered only for capital purchases/projects and the term of the debt shall not exceed the useful life of the financed asset. The term of any bond issues and the rate of interest shall be fixed by the ordinance submitting the question to the registered electors of the city. Bonds shall be sold to the highest responsible bidder, but in no case for less than par, and in all cases to the best advantage of the city.⁸ Municipal bonds, Interfund loans, equipment leases (with the exception of vehicles) and sale/leaseback agreements are approved methods for financing capital projects.

Section 7 – Reserve Policies

- 7.1 Fund Reserves** – The table at the end of this section defines individual reserve goals by fund.



7.2 Declared Emergency – In the case of a declared emergency within the City, applicable insurance coverage (subject to the related deductibles) would be the first funding source utilized. Reserve funds established for other purposes may also be utilized for needs related to emergency situations. The following reserve categories could be utilized if required (as prioritized based upon the importance of the needs related to the emergency versus the negative impact of the steps necessary to replenish reserves in the future):

General Fund (no legal restrictions):

- Emergency/stabilization reserve
- Computer replacement reserve
- Facility renovation and replacement reserve
- Workers compensation reserve (would have to "book" any unfunded liability)
- Property and casualty self-ins reserve (would have to "book" any unfunded liability)
- Insurance stabilization reserve.

Restricted funds (only for emergency purposes within the function of each fund):

- Emergency/stabilization reserves
- Various replacement reserves

END NOTES

1. Charter Requirements Sec 93. Not later than three months before the end of each fiscal year, the city manager shall prepare and submit to the council an annual budget for the ensuing fiscal year, based upon detailed estimates furnished by the several departments and other divisions of the city government, according to a classification as nearly uniform as possible. The budget shall present the following information:

(A) An itemized statement of the appropriations recommended by the city manager for estimated expenses and for permanent improvements for each department and each division thereof for the ensuing fiscal year, with comparative statements in parallel columns of the appropriations and the expenditures for the current and last preceding fiscal year and the increases or decreases in the appropriations recommended;

(B) An itemized statement of the taxes required and of the estimated revenues of the city from all other sources for the ensuing fiscal year with comparative statements in parallel columns of the taxes and other revenues for the current and last preceding fiscal year and of the increases or decrease estimated or proposed;

(C) A statement of the financial condition of the city; and

(D) Such other information as may be required by the council.

2. Charter Requirements Sec. 95. Upon the basis of the budget as adopted and filed, and including the levies required to be made by the charter, the several sums shall forthwith be appropriated by ordinance to the several purposes therein named for the ensuing fiscal year. Said ordinance shall be adopted not later than the first day of December in each year and shall be entitled "The Annual Appropriation Ordinance."



3. Charter Requirements Sec. 102. At any time after the passage of the annual appropriation ordinance and after at least one week's public notice, the council may transfer unused balances appropriated for one purpose to another purpose and may by ordinance appropriate available revenues not included in the annual budget. This provision shall not apply to the water, park and library funds.

4. Charter Requirements Sec 94. Upon said estimate the council shall forthwith proceed to make by ordinance the proper levy in mills upon each dollar of the assessed valuation of all taxable property within the city. The levy shall never exceed thirteen mills on the dollar for all general city purposes upon the total assessed valuation of said taxable property with the city. The foregoing limitation of thirteen mills shall not apply to taxes levied by the council for the payment of any interest, sinking fund, or principals of any bonded indebtedness of the city now existing or hereafter created nor to special assessments for local improvements.

Sec. 135. The city council shall make an annual appropriation, which shall amount to not less than the return of one-third of a mill tax levied upon each dollar of assessed valuation of all taxable property in the City of Boulder.

Sec. 161. There shall be a permanent park and recreation fund. This fund shall consist of the following:

(a) An annual levy of nine-tenths of one mill on each dollar of assessed valuation of all taxable within the city.

5. Code Requirement. Sec. 3-8-1. Development Excise Tax; Sec. 3-9-1, Housing Excise Tax; Sec. 8-3-18, and Park Land Acquisition and Development Fees, B.R.C. 1981.

6. Charter Requirements. Sec. 88. The fiscal year of the city shall commence on the first day of January and end on the last day of December of each year.

Sec. 89. Collection and custody of public moneys. The Director of Finance and Record shall have charge of the revenues and records of the city except as otherwise provided by this charter or by ordinance. All taxes, special assessments, and license fees accruing to the city shall be received or collected by officers of the department of finance and record. All moneys received by any officer or employee of the city or in connection with the business of the city shall be paid promptly into the city treasury.

The council shall by ordinance provide a system for prompt collection and regular payment, custody, and deposit of all city moneys; shall require surety bonds of all depositors of city moneys. Deposits shall be made daily and in the name of the city.

Sec. 90. System of accounting. The council shall by ordinance provide a system of accounting for the city, not inconsistent with the provisions of this charter, which may be recommended by the city manager, to conform as nearly as possible with the uniform system of municipal accounting.

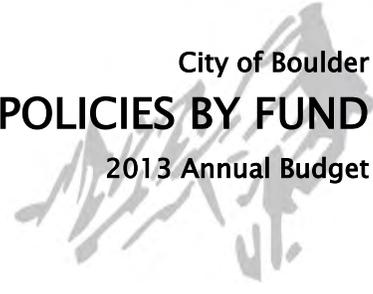
7. Charter Requirements Sec 78. The Planning Department shall.....

(C) Submit annually to the city manager, not less than sixty days prior to the date for submission of the city manager's proposed budget to the city council, a list of recommended capital improvements to be undertaken during the forthcoming six-year period;

The list shall be arranged in order of preference, with recommendations as to which projects shall be completed each year. Each list of capital improvements shall be accompanied by a six-year capital budget indicating estimated costs and methods of financing all improvements.

8. Charter Requirements Sec 98. The term of any bond issues and the rate of interest shall be fixed by the ordinance submitting the question to the registered electors of the city. When issued, bonds shall be sold to the highest responsible bidder, but in no case for less than par, and in all cases to the best advantage of the city. (Amended by Ord. No. 7801 (2011), § 2, adopted by electorate on November 1, 2011.)

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City of Boulder
RESERVE POLICIES BY FUND
2013 Annual Budget



Reserve Policies

Category	Reserve	Purpose	Current Reserve Policy	2013 Projected Amount	Reserve Policy Met (Yes/No)
GENERAL					
Projected 2013 Year-End Fund Balance Before Reserves				\$ 25,130,000	
Emergency/Stabilization	Emergency Reserve	Reserve is to provide a cushion for revenue shortfalls, emergencies, and for expenditure opportunities.	Based upon GF expenditures less grants: proposed goal is to have a 15% reserve.	16,758,000	Yes
Projected 2013 Year-end Fund Balance After Reserves				\$ 3,101,000	
CAPITAL DEVELOPMENT					
Projected 2013 Year-End Fund Balance Before Reserves				\$ 5,846,870	
Emergency/Stabilization	Emergency Reserve	Reserve was established to cover emergencies and revenue fluctuations.	Current reserve policy designates \$500,000 to cover the purposes of the fund.	500,000	Yes
Projected 2013 Year-end Fund Balance After Reserves				\$ 5,346,870	
PLANNING AND DEVELOPMENT SERVICES					
Projected 2013 Year-End Fund Balance Before Reserves				\$ 3,778,303	
Emergency/Stabilization	Operating Reserve	This is an unappropriated reserve which was established to cover revenue fluctuations and operating emergencies.	10% of the operating budget that is funded by fees and permit revenue.	580,029	Yes
Liability	Pay Period 27 Reserve	Reserve established to provide funding for years in which there are 27 pay periods. First one occurs in 2013.	Reserve is to cover 100% of cash payment for 27th pay period for year in which it occurs (e.g. 2013).	52,602	Yes
Liability	Compensated Absences Liability Reserve	The fund was established for liabilities assoc with accumulated sick & vacation time, appreciation bonuses, and/or other employee benefits that result in liabilities upon termination or retirement.	Reserve is to cover 100% of accrued costs as determined by the Finance Department.	281,918	Yes
Liability	State Historic Tax Credit	The reserve was established to cover the fund balance associated with the state historic tax credit program.	Reserve is to cover 100% of the state historic tax credit fund balance.	10,485	Yes
Projected 2013 Year-end Fund Balance After Reserves				\$ 2,853,269	
AFFORDABLE HOUSING					
Projected 2013 Year-End Fund Balance Before Reserves				\$ 7,001	
Liability	Compensated Absences Liability Reserve	Reserve was established to fund sick/vac/app. bonus liability.	Reserve is to fully cover sick/vac/app. bonus liability.	2,721	Yes
Liability	Pay Period 27 Reserve	Reserve established to provide funding for years in which there are 27 pay periods. First one occurs in 2013.	Reserve is to cover 100% of cash payment for the 27th pay period for year in which it occurs (e.g. 2013).	4,280	Yes
Projected 2013 Year-end Fund Balance After Reserves				\$ -	

Reserve Policies



Category	Reserve	Purpose	Current Reserve Policy	2013 Projected Amount	Reserve Policy Met (Yes/No)
COMMUNITY HOUSING ASSISTANCE PROGRAM					
Projected 2013 Year-End Fund Balance Before Reserves				\$ 19,756	
Liability	Compensated Absences Liability Reserve	Reserve was established to fund sick/vac/app. bonus liability.	Reserve is to fully cover sick/vac/app. bonus liability.	15,916	Yes
Liability	Pay Period 27 Reserve	Reserve established to provide funding for years in which there are 27 pay periods. First one occurs in 2013.	Reserve is to cover 100% of cash payment for the 27th pay period for year in which it occurs (e.g. 2013).	3,840	Yes
Projected 2013 Year-end Fund Balance After Reserves				\$ -	
.25 CENT SALES TAX					
Projected 2013 Year-End Fund Balance Before Reserves				\$ 559,298	
Liability	Compensated Absences Liability Reserve	Reserve was established to fund sick/vac/app. bonus liability.	Reserve is to fully cover sick/vac/app. bonus liability.	191,294	Yes
Liability	Pay Period 27 Reserve	Reserve established to provide funding for years in which there are 27 pay periods. First one occurs in 2013.	Reserve was established to fund 27th pay period which occurs every 11 years.	21,380	Yes
Projected 2013 Year-end Fund Balance After Reserves				\$ 346,624	
LIBRARY					
Projected 2013 Year-End Fund Balance Before Reserves				\$ 901,625	
Emergency/ Stabilization	Emergency	Reserve was established to cover emergencies.	Current reserve policy designates 10% of annual Library revenues for emergencies.	106,278	Yes
Projected 2013 Year-end Fund Balance After Reserves				\$ 795,347	
RECREATION ACTIVITY					
Projected 2013 Year-End Fund Balance Before Reserves				\$ 342,574	
Emergency/ Stabilization	Emergency Reserve	Reserve is to provide a cushion for revenue shortfalls, emergencies, and for expenditure opportunities.	Policy is to allow a rolling fund balance to provide stability to annual operations that may otherwise be affected by shortfalls in revenue.	50,000	Yes
Liability	Pay Period 27 Reserve	Reserve established to provide funding for years in which there are 27 pay periods. First one occurs in 2013.	Reserve was established to fund 27th pay period which occurs every 11 years.	45,000	Yes
Projected 2013 Year-end Fund Balance After Reserves				\$ 247,574	
CLIMATE ACTION PLAN					
Projected 2013 Year-End Fund Balance Before Reserves				\$ 92,260	
Emergency/ Stabilization	Emergency Reserve	Reserve is to provide a cushion for revenue shortfalls, emergencies, and for expenditure opportunities.	Reserve is currently set at \$50,000.	50,000	Yes
Liability	Compensated Absences Liability Reserve	Reserve was established to fund sick/vac/app. bonus liability.	Reserve is to fully cover sick/vac/app. bonus liability.	1,753	Yes
Liability	Pay Period 27 Reserve	Reserve established to provide funding for years in which there are 27 pay periods. First one occurs in 2013.	Reserve was established to fund 27th pay period which occurs every 11 years.	5,700	Yes
Projected 2013 Year-end Fund Balance After Reserves				\$ 34,807	



Reserve Policies

Category	Reserve	Purpose	Current Reserve Policy	2013 Projected Amount	Reserve Policy Met (Yes/No)
OPEN SPACE					
Projected 2013 Year-End Fund Balance Before Reserves			\$ 12,949,426		
Emergency/ Stabilization	OSBT Contingency Reserve	Reserve was established to cover revenue fluctuations which might impact the Fund's ability to make debt service payments, as well as emergencies related to acquisitions.	Reserve per OSBT is to cover an amount based on outstanding General Obligation and BMPA debt totals supported by sales tax revenues.	5,475,000	Yes
Liability	Compensated Absences Liability Reserve	The fund was established for liabilities assoc with accumulated sick and vacation time, appreciation bonuses, and/or other employee benefits that result in liabilities upon termination or retirement.	Reserve is to cover 100% of accrued costs as determined by Finance Department.	490,000	Yes
Liability	Property and Casualty Reserve	Reserve was established to cover retained insurance exposure.	Reserve is to cover 100% of retained loss not covered by the city's insurance policy.	400,000	Yes
Liability	Pay Period 27 Reserve	Reserve established to provide funding for years in which there are 27 pay periods. First one occurs in 2013.	Reserve is to cover 100% of cash payment for 27th pay period for year in which it occurs (e.g. 2013).	82,740	Yes
Special Purpose	Capital Reserve	Reserve for Gross Reservoir Expansion.	Reserve is to cover OSMP obligation to improve South Boulder Creek flow.	1,450,000	Yes
Projected 2013 Year-end Fund Balance After Reserves			\$ 5,051,686		
AIRPORT					
Projected 2013 Year-End Fund Balance Before Reserves			\$ 698,540		
Emergency/ Stabilization	Designated Reserve	This is an unappropriated reserve for operating and capital emergencies and revenue shortfalls.	25% of Fund's operating budget.	139,733	Yes
Liability	Compensated Absences Liability Reserve	The fund was established for liabilities assoc with accumulated sick and vacation time, appreciation bonuses, and/or other employee benefits that result in liabilities upon termination or retirement.	Reserve is to cover 100% of accrued costs as determined by Finance Department.	9,233	Yes
Liability	Pay Period 27 Reserve	Reserve established to provide funding for years in which there are 27 pay periods. First one occurs in 2013.	Reserve is to cover 100% of cash payment for 27th pay period for year in which it occurs (e.g. 2013).	1,920	Yes
Projected 2013 Year-end Fund Balance After Reserves			\$ 547,654		

Reserve Policies



Category	Reserve	Purpose	Current Reserve Policy	2013 Projected Amount	Reserve Policy Met (Yes/No)
TRANSPORTATION					
Projected 2013 Year-End Fund Balance Before Reserves				\$ 2,894,097	
Emergency/Stabilization	Designated Reserve	This is an unappropriated reserve for operating emergencies and/or revenue shortfalls.	Reserve is set at \$475,000.	982,178	Yes
Liability	Pay Period 27 Reserve	Reserve established to provide funding for years in which there are 27 pay periods. First one occurs in 2013.	Reserve is to cover 100% of cash payment for 27th pay period for year in which it occurs (e.g. 2013).	119,860	Yes
Liability	Compensated Absences Liability Reserve	The fund was established for liabilities assoc with accumulated sick and vacation time, appreciation bonuses, and/or other employee benefits that result in liabilities upon termination or retirement and includes allocation for designated reserves.	Reserve is to cover 100% of accrued costs as determined by Finance Department.	175,353	Yes
Projected 2013 Year-end Fund Balance After Reserves				\$ 1,616,706	
TRANSPORTATION DEVELOPMENT					
Projected 2013 Year-End Fund Balance Before Reserves				\$ 587,774	
Emergency/Stabilization	Designated Reserve	This is an unappropriated reserve for operating and capital emergencies and revenue shortfalls.	Reserve is set at \$25,000.	25,000	Yes
Liability	North Boulder Undergrounding Reserve	Reserve established to be used for burying overhead lines in accordance with the Xcel franchise agreement.	Reserve is set at \$112,860.	112,860	Yes
Liability	Pay Period 27 Reserve	Reserve established to provide funding for years in which there are 27 pay periods. First one occurs in 2013.	Reserve is to cover 100% of cash payment for 27th pay period for year in which it occurs (e.g. 2013).	2,690	Yes
Projected 2013 Year-end Fund Balance After Reserves				\$ 447,224	
BOULDER JUNCTION GENERAL IMPROVEMENT DISTRICT -TDM					
Projected 2013 Year-End Fund Balance Before Reserves				\$ 31,590	
Emergency/Stabilization	Designated Reserve	This is an unappropriated reserve for operating emergencies and/or revenue shortfalls.	10% of Fund's operating budget.	5,035	Yes
Projected 2013 Year-end Fund Balance After Reserves				\$ 26,555	



Reserve Policies

Category	Reserve	Purpose	Current Reserve Policy	2013 Projected Amount	Reserve Policy Met (Yes/No)
PERMANENT PARKS AND RECREATION					
Projected 2013 Year-End Fund Balance Before Reserves				\$ 635,719	
Liability	Compensated Absences Liability Reserve	Reserve was established to fund sick/vac/app. bonus liability.	Reserve is to fully cover sick/vac/app. bonus liability.	60,126	Yes
Liability	Pay Period 27 Reserve	Reserve established to provide funding for years in which there are 27 pay periods. First one occurs in 2013.	Reserve was established to fund 27th pay period which occurs every 11 years.	10,735	Yes
Projected 2013 Year-end Fund Balance After Reserves				\$ 564,858	
WATER UTILITY					
Projected 2013 Year-End Fund Balance Before Reserves				\$ 29,196,734	
Bond	Bond Reserve	These reserves are established in accordance with bond covenant requirements for revenue bonds.	Reserve amount defined individually for each bond issuance, equal to approximately one year's annual debt payment.	2,934,796	Yes
Special Purpose	Lakewood Pipeline Remediation Reserve	This is an unappropriated reserve to be used for inspections and improvements for Lakewood Pipeline.	The 2006 Lakewood Pipeline Settlement resulted in \$15 million to the city. This money and related interest reside in this reserve until it is needed for the pipeline.	14,932,560	Yes
Emergency/Stabilization	Lakewood/ USFS Damage Claims Reserve	This is an unappropriated reserve to be used for damages to Forest Service Land outside the construction corridor for Lakewood Pipeline.	Per the Resource Damage Claims Plan.	-	Not applied after 2012
Liability	Compensated Absences Liability Reserve	The fund was established for liabilities assoc with accumulated sick and vacation time, appreciation bonuses, and/or other employee benefits that result in liabilities upon termination or retirement.	Reserve is to cover 100% of accrued costs as determined by Finance Department.	671,410	Yes
Liability	Pay Period 27 Reserve	Reserve established to provide funding for years in which there are 27 pay periods. First one occurs in 2013.	Reserve is to cover 100% of cash payment for 27th pay period for year in which it occurs (e.g. 2013).	112,400	Yes
Emergency/Stabilization	Operating Reserve	This is an unappropriated reserve for operating emergencies and/or revenue shortfalls.	25% of Fund's operating budget (including transfers).	4,208,665	Yes
Emergency/Stabilization	Capital Reserve	This is an unappropriated reserve for capital expenditures due to emergencies and/or revenue shortfalls.	Minimum annual capital costs for renewal and replacement of utility infrastructure.	2,000,000	Yes
Projected 2013 Year-end Fund Balance After Reserves				\$ 4,336,903	

Reserve Policies



Category	Reserve	Purpose	Current Reserve Policy	2013 Projected Amount	Reserve Policy Met (Yes/No)
WASTEWATER UTILITY					
Projected 2013 Year-End Fund Balance Before Reserves				\$ 8,787,396	
Bond	Bond Reserve	These reserves are established in accordance with bond covenant requirements for revenue bonds.	Reserve amount defined individually for each bond issuance, equal to approximately one-year's annual debt payment.	670,139	Yes
Liability	Compensated Absences Liability Reserve	The fund was established for liabilities assoc with accumulated sick and vacation time, appreciation bonuses, and/or other employee benefits that result in liabilities upon termination or retirement.	Reserve is to cover 100% of accrued costs as determined by Finance Department.	584,523	Yes
Liability	Pay Period 27 Reserve	Reserve established to provide funding for years in which there are 27 pay periods. First one occurs in 2013.	Reserve is to cover 100% of cash payment for 27th pay period for year in which it occurs (e.g. 2013).	103,480	Yes
Emergency/ Stabilization	Operating Reserve	This is an unappropriated reserve for operating emergencies and/or revenue shortfalls.	25% of Fund's operating budget (including transfers).	2,553,311	Yes
Emergency/ Stabilization	Capital Reserve	This is an unappropriated reserve for capital expenditures due to emergencies and/or revenue shortfalls.	Minimum annual capital costs for renewal and replacement of utility infrastructure.	500,000	Yes
Projected 2013 Year-end Fund Balance After Reserves				\$ 4,375,943	
STORMWATER/FLOOD MANAGEMENT UTILITY					
Projected 2013 Year-End Fund Balance Before Reserves				\$ 6,729,239	
Bond	Bond Reserve	These reserves are established in accordance with bond covenant requirements for revenue bonds.	Reserve amount defined individually for each bond issuance, equal to approximately one year's annual debt payment.	324,984	Yes
Emergency/ Stabilization	Post-Flood Property Acquisition	Reserve is for post - flood property acquisition in the event of a flood.	Reserve is increased by \$150,000 a year such that the fund will accumulate and maintain a level of \$1,000,000.	1,050,000	Yes
Liability	Compensated Absences Liability Reserve	The fund was established for liabilities assoc with accumulated sick and vacation time, appreciation bonuses, and/or other employee benefits that result in liabilities upon termination or retirement.	Reserve is to cover 100% of accrued costs as determined by Finance Department.	67,971	Yes



Reserve Policies

Category	Reserve	Purpose	Current Reserve Policy	2013 Projected Amount	Reserve Policy Met (Yes/No)
STORMWATER/FLOOD MANAGEMENT UTILITY (Cont.)					
Liability	Pay Period 27 Reserve	Reserve established to provide funding for years in which there are 27 pay periods. First one occurs in 2013.	Reserve is to cover 100% of cash payment for 27th pay period for year in which it occurs (e.g. 2013).	21,480	Yes
Emergency/ Stabilization	Operating Reserve	This is an unappropriated reserve for operating emergencies and/or revenue shortfalls.	25% of Fund's operating budget (including transfers).	922,557	Yes
Emergency/ Stabilization	Capital Reserve	This is an unappropriated reserve for capital expenditures due to emergencies and/or revenue shortfalls.	Minimum annual capital costs for renewal and replacement of utility infrastructure.	200,000	Yes
Projected 2013 Year-end Fund Balance After Reserves				\$ 4,142,247	
DOWNTOWN COMMERCIAL DISTRICT					
Projected 2013 Year-End Fund Balance Before Reserves				\$ 3,171,455	
Emergency/ Stabilization	Emergency Reserve	This is an unappropriated reserve to fund unanticipated operating emergencies. Also included within this reserve are funds intended to meet the 3% of Funding Sources Reserve Requirements of TABOR.	10% of Fund's total operating uses.	436,235	Yes
Liability	Compensated Absences Liability Reserve	The fund was established for liabilities assoc with accumulated sick and vacation time, appreciation bonuses, and/or other employee benefits that result in liabilities upon termination or retirement.	Reserve is to cover 100% of accrued costs as determined by Finance Department.	143,225	Yes
Liability	Pay Period 27 Reserve	Reserve established to provide funding for years in which there are 27 pay periods. First one occurs in 2013.	Reserve is to cover 100% of cash payment for 27th pay period for year in which it occurs (e.g. 2013).	72,736	Yes
Bond	Bond Reserve	These reserves are established in accordance with bond covenant requirements for revenue bonds.	Reserve amount defined individually for each bond issuance, equal to approximately 1/6th of the next interest payment and 1/12th of the next principle payment.	285,089	Yes
Projected 2013 Year-end Fund Balance After Reserves				\$ 2,234,170	

Reserve Policies



Category	Reserve	Purpose	Current Reserve Policy	2013 Projected Amount	Reserve Policy Met (Yes/No)
UNIVERSITY HILL COMMERCIAL DISTRICT					
Projected 2013 Year-End Fund Balance Before Reserves				\$ 705,316	
Emergency/Stabilization	Emergency Reserve	This is an unappropriated reserve to fund unanticipated operating emergencies. Also included within this reserve are funds intended to meet the 3% of Funding Sources Reserve Requirements of TABOR.	25% of Fund's total uses.	142,433	Yes
Liability	Compensated Absences Liability Reserve	The fund was established for liabilities assoc with accumulated sick and vacation time, appreciation bonuses, and/or other employee benefits that result in liabilities upon termination or retirement.	Reserve is to cover 100% of accrued costs as determined by Finance Department.	22,948	Yes
Liability	Pay Period 27 Reserve	Reserve established to provide funding for years in which there are 27 pay periods. First one occurs in 2013.	Reserve is to cover 100% of cash payment for 27th pay period for year in which it occurs (e.g. 2013).	11,714	Yes
Projected 2013 Year-end Fund Balance After Reserves				\$ 528,221	
BOULDER JUNCTION GENERAL IMPROVEMENT DISTRICT (GID) PARKING					
Projected 2013 Year-End Fund Balance Before Reserves				\$ 16,120	
Emergency/Stabilization	Designated Reserve	This is an unappropriated reserve for operating emergencies and/or revenue shortfalls.	10% of Fund's operating budget.	1,260	Yes
Projected 2013 Year-end Fund Balance After Reserves 1				\$ 14,860	
TELECOMMUNICATIONS					
Projected 2013 Year-End Fund Balance Before Reserves				\$ 829,078	
Replacement		Reserve was created to level out spending for Telecommunications system replacement and upgrades.	Goal is that this fund will fund the city's phone service equipment replacement and fiber network needs.	829,078	Yes
Projected 2013 Year-end Fund Balance After Reserves				\$ -	
PROPERTY AND CASUALTY					
Projected 2013 Year-End Fund Balance Before Reserves				\$ 4,735,268	
Liability	Liability	The Property & Casualty Reserve will be self-insured. The fund was set up when insurance costs were expected to increase significantly.	Goal is to fully fund an actuarially calculated liability as of the end of the prior year at the 80% confidence level.	1,543,274	Yes
Liability	Pay Period 27 Reserve	Reserve established to provide funding for years in which there are 27 pay periods. First one occurs in 2013.	Reserve is to cover 100% of cash payment for 27th pay period for year in which it occurs (e.g. 2013).	1,150	Yes
Projected 2013 Year-end Fund Balance After Reserves				\$ 3,190,844	



Reserve Policies

Category	Reserve	Purpose	Current Reserve Policy	2013 Projected Amount	Reserve Policy Met (Yes/No)
WORKERS COMPENSATION					
Projected 2013 Year-End Fund Balance Before Reserves				\$ 2,865,614	
Liability	Liability	The Workers Comp fund is self-insured. The fund was developed to enhance the management of program costs.	Goal is to fully fund an actuarially calculated liability as of the end of the prior year at the 80% confidence level.	1,474,413	Yes
Liability	Pay Period 27 Reserve	Reserve established to provide funding for years in which there are 27 pay periods. First one occurs in 2013.	Reserve is to cover 100% of cash payment for 27th pay period for year in which it occurs (e.g. 2013).	4,915	Yes
Projected 2013 Year-end Fund Balance After Reserves				\$ 1,386,286	
FLEET OPERATIONS					
Projected 2013 Year-End Fund Balance Before Reserves				\$ 639,576	
Emergency/ Stabilization	Operating Reserve	This is an unappropriated reserve for operating emergencies.	5% of Fund's operating budget.	434,983	Yes
Liability	Compensated Absences Liability Reserve	The fund was established for liabilities assoc with accumulated sick and vacation time, appreciation bonuses, and/or other employee benefits that result in liabilities upon termination or retirement.	Reserve is to cover 100% of accrued costs as determined by Finance Department.	188,193	Yes
Liability	Pay Period 27 Reserve	Reserve established to provide funding for years in which there are 27 pay periods. First one occurs in 2013.	Reserve is to cover 100% of cash payment for 27th pay period for year in which it occurs (e.g., 2013).	16,400	Yes
Projected 2013 Year-end Fund Balance After Reserves				\$ -	
COMPUTER REPLACEMENT					
Projected 2013 Year-End Fund Balance Before Reserves				\$ 5,367,276	
Replacement		Reserve was created to level out spending for micro-computer related hardware and software.	Goal is that this fund will cover the replacement of existing computer systems and keep software maintenance up to date.	3,138,588	Yes
Projected 2013 Year-end Fund Balance After Reserves				\$ 2,228,688	

Reserve Policies



Category	Reserve	Purpose	Current Reserve Policy	2013 Projected Amount	Reserve Policy Met (Yes/No)
EQUIPMENT REPLACEMENT					
Projected 2013 Year-End Fund Balance Before Reserves				\$ 3,470,239	
Replacement		Reserve was created to level out spending for replacement of city's equipment. Includes contributions annually from general & non-general funds.	It is the policy of the City of Boulder that all equipment users shall fund the replacement of equipment through contributions to the Equipment Replacement Fund (ERF). Annual contributions by unit shall be calculated by Facilities & Asset Management (FAM) and distributed to users during the budget process.	3,469,984	Yes
Liability	Pay Period 27 Reserve	Reserve established to provide funding for years in which there are 27 pay periods. First one occurs in 2013.	Reserve is to cover 100% of cash payment for 27th pay period for year in which it occurs (e.g., 2013).	255	Yes
Projected 2013 Year-end Fund Balance After Reserves				\$ -	
FACILITY RENOVATION AND REPLACEMENT					
Projected 2013 Year-End Fund Balance Before Reserves				\$ 2,609,297	
Replacement		Fund was created to protect the city investment in facilities.	To protect city investment in buildings, funds shall be budgeted annually for major maintenance and renovation and replacement of such buildings. To extend the life of these assets, the goal over a 20 year period shall be to increase the funds budgeted annually for maintenance of buildings to approximately 2% of the current replacement value.	2,608,407	Yes
Liability	Pay Period 27 Reserve	Reserve established to provide funding for years in which there are 27 pay periods. First one occurs in 2013.	Reserve is to cover 100% of cash payment for 27th pay period for year in which it occurs (e.g., 2013).	890	Yes
Projected 2013 Year-end Fund Balance After Reserves				\$ -	

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