

**Town of Erie  
Resolution No. 23-143**

**A Resolution of the Board of Trustees of the Town of Erie, Colorado  
Designating Portions of the General Fund Reserves for Specific  
purposes.**

**Whereas,** the Town of Erie operates in a fiscally conservative manner;

**Whereas,** the Board of Trustees desires to have clear policies facilitating the Town's ability to respond effectively to emergencies, to continue providing General Fund services during economic downturns, and to provide a designated source of funding for capital improvements, equipment replacement, maintenance needs, and repayment of bonds issues for such purposes; and

**Whereas,** the Board of Trustees believes it is in the best interest of the Town to designate portions of the General Fund fund balance for these purposes.

**Now Therefore be it Resolved by the Board of Trustees of the Town of Erie, Colorado, that:**

**Section 1.** Erie Municipal Code Section 2-1-3.D.4, specifies that the Town will maintain minimum reserves or fund balances in its General Fund of 25 percent of the current year's budgeted operating expenditures. Additionally, Erie Municipal Code Sections 2-1-3.B.2 and 3 specify that the Town will maintain five-year plans for capital improvements and equipment replacement and maintenance needs. Finally, Erie Municipal Code Section 2-11-3.B, provides for a Capital Improvement Fund used solely to provide capital improvements for the Town or for the repayment of bonds issued for such purposes.

**Section 2.** Consistent with these policies, and to maintain the Town's ability to respond effectively to emergencies, to continue providing General Fund services during economic downturns, and to provide a designated source of funding for capital improvements, equipment replacement, maintenance needs, and repayment of bonds issues for such purposes, portions of the General Fund fund balance shall be designated as follows:

- a. 3% TABOR Reserve that may be appropriated only for "emergencies" as allowed under Article X Section 20 of the Colorado Constitution.
- b. 12% Emergency Reserve that may be appropriated only for emergencies declared by the Board of Trustees.
- c. 10% Stabilization Reserve that may be appropriated by the Board of Trustees during times of reduced revenues due to economic conditions to allow the Town to continue providing General Fund services throughout an economic

downturn. Appropriations from the Stabilization Reserve shall be contingent on a plan specifying the expected duration of the economic conditions requiring use of the Stabilization Reserve and specific actions and a timeline for replenishing the Stabilization Reserve.

d. After making appropriations for all other General Fund purposes, the Year-End Fund Balance exceeding 25% shall be transferred to the Capital Improvement Fund. Appropriations from the Capital Improvement Fund shall only be used for capital improvements, equipment replacement, maintenance needs, or for the repayment of bonds issued for such purposes.

**Adopted this 14<sup>th</sup> day of November, 2023.**

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Justin Brooks, Mayor

**Attest:**

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Debbie Stamp, Town Clerk