

SECTION 1: GENERAL PURPOSE AND SCOPE

These Fiscal Policies are established by the ERBM Recreation and Park District ("District") Board of Directors ("Board") to establish rules, policies, and procedures for developing the District's financial goals and objectives; making financial decisions; reporting the District's financial status; and managing District funds.

These Fiscal Policies have been developed pursuant to the Special District Act, C.R.S. § 32-1-101, *et seq.*; the Local Government Budget Law, C.R.S. § 29-1-101, *et seq.*; the Local Government Audit Law, C.R.S. § 29-1-601, *et seq.*; the Public Deposit Protection Act, C.R.S. § 11-10.5-101, *et seq.*; the Taxpayers' Bill of Rights (TABOR), Section 20 of Article X of the Colorado Constitution; and all other laws, rules, and regulations governing the District's financial management. The Board may modify these Fiscal Policies at any time in its sole discretion, subject to the requirements of the foregoing laws, rules, and regulations.

SECTION 2: ACCOUNTABILITY

A. Budget

1. The District's fiscal year begins on January 1st of each year and ends December 31st.
2. The Executive Director shall serve as the District's Budget Officer. The Budget Officer shall present the draft annual budget, which shall be consistent with the District's strategic goals and budget assumptions, to the Board by October 15th of each year. The Board shall finalize and adopt the annual budget by December 15th of each year, following a duly published and posted public hearing held in accordance with the Local Government Budget Law.
3. The Board may amend the annual budget from time to time, as the Board determines to be necessary or appropriate, in its sole discretion, in accordance with the Local Government Budget Law.
4. The District shall maintain a correct and complete accounting system, including all appropriate books and records of account. All financial receipts and expenditures of the District shall be accounted for and administered through the District's accounting system in accordance with generally accepted accounting principles for state and local governments.
5. Monthly financial reports, including but not limited to, a Balance Sheet, a Statement of Activities, and a listing of vouchers, shall be presented to the Board for review and approval at each of its regularly scheduled Board meetings.

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B. Audits

1. The Board shall engage the services of an independent auditor by March 1st of each year, or as soon thereafter as is reasonably practicable, to perform an annual audit of the District's financial statements as of the end of the previous fiscal year, in accordance with the Local Government Audit Law.
2. The Board may, in its sole discretion, determine the need for, and direct the performance of, additional internal audits; for example, an audit of the District's investments, or its legal, liability, management, operations, and/or maintenance budgets, revenues, and expenditures.

C. Expenditure Controls

1. The Executive Director is authorized to approve the purchase of all budgeted capital expenditures (capital defined as: equipment purchases and/or direct and indirect financial obligations towards improvements projects totaling \$5,000 or more), and non-capital "operations" expenditures. A Department Manager designated by the Executive Director is also authorized to approve the purchase of all budgeted non-capital "operations" expenditures. The Executive Director is authorized to approve the purchase of non-budgeted capital expenditures, not exceeding \$5,000 per capital expenditure, and operational expenditures not exceeding \$5,000 per overall total allocation in any one of the following budget expenditures categories: Personnel; Contracted Services, Fees and Fixed Operations; Equipment and Supplies; and Other Services. The Executive Director shall report such expenditures to the Board at the first regularly scheduled meeting following the expenditure. Purchases of non-budgeted capital or operations expenditures, as described in this section, of \$5,001 or more shall require Board approval.
2. Notwithstanding anything herein to the contrary, the Executive Director is authorized to make expenditures in excess of the limits set forth in Sections 2(C)(1) above if necessary in an urgent or emergency situation. For purposes of this Section, an "urgent situation" is defined as a situation that, if not mitigated in a timely manner, poses a significant negative impact to District operations and/or substantial increased repair costs or potential loss of a District asset. An "emergency situation" is defined as a situation posing an immediate danger to the health or safety of the District's personnel or constituents, or an immediate risk of damage to the District's facilities or property. The Executive Director shall make a reasonable effort to schedule a Board meeting to seek prior approval of an urgent or emergency expenditure, but if such Board meeting cannot be scheduled in time to mitigate the urgent or emergency situation, then the Executive Director shall make the urgent or emergency expenditures and promptly inform the Board of such expenditures as soon as practicable given the circumstances surrounding the situation.
3. The Executive Director, Board President, and any other Board member(s) designated by the Board, are authorized to sign checks and payment vouchers on behalf of the District. Checks or payment vouchers in the amount of \$15,001 or more require two signatures.

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No other District employee, volunteer, or non-designated Board member is authorized to sign a check or payment voucher on behalf of the District, regardless of the amount or purpose.

D. Charge Accounts and Credit Cards

1. For the efficient conduct of District business, the Executive Director and/or a Department Manager, is authorized to establish charge accounts with District vendors. To be eligible to make charges upon a District charge account, the employee's job duties must include regularly purchasing goods or services of the type sold by the vendor for the District's use, and the appropriate Department Manager, Executive Director, or his/her designee must authorize the transaction.
2. District credit cards are issued to the Executive Director, Administrative Services Manager, Recreation Manager, Parks and Facilities Manager, and Human Resources Administrator,. Additionally, and with approval from the Executive Director and/or the respective Department Manager, a District credit card is issued to the Department Supervisor(s). Authorized use, approved credit limits, charge amounts per transaction, etc., shall be monitored by the Executive Director or his/her designee and shall at all times comply with these Fiscal Policies. District credit cards cannot be used for personal expenses, or to obtain cash advances, bank checks, traveler's checks, or electronic cash transfers. Employee misuse of the credit card will result in cancellation of the card and withdrawal of District credit card privileges, and may result in other appropriate discipline.
3. All charge account and credit card transactions shall be presented to the Board in the monthly financial reports as part of the listing of vouchers, and a summary of monthly credit card transactions shall be segregated from other all other reported expenses and payments.
4. The Executive Director or his/her designee may establish written procedures for the administration, management, and oversight of any District charge accounts and/or credit cards, consistent with this Section 2(D).

E. Revenue Collection

1. Tax Receipts.
 - a. The District's voters have exempted the District from the revenue and spending limits imposed by law, including but not limited to, TABOR and C.R.S. § 29-1-301.
 - b. The Board shall annually fix its general operating mill levy at the maximum rate authorized by the District's voters, to be applied against the gross assessed valuation of property within the District's jurisdiction, as determined by the Rio Blanco County Assessor. The Board shall certify its annual mill levy and projected annual property tax revenue to the Board of County Commissioners by December 15th of each year.

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- c. Revenue generated from tax receipts shall be transferred directly from the Rio Blanco County Treasurer's Office to the District's Colorado Local Government Liquid Asset Trust ("ColoTrust") account. The Executive Director, or the Administrative Services Manager if designated by the Executive Director, is authorized to transfer funds from the District's ColoTrust account to the District's General Operating Account. Single transfer amounts of \$250,000 or greater shall be reported to the Board at the first regularly scheduled Board meeting following the transfer.

2. Fees, Charges, and Membership Dues.

- a. The Special District Act authorizes the Board to fix and from time to time to increase or decrease fees, rates, tolls, or charges (collectively, "Fees") for services, programs, or facilities furnished by the District. The Board, in consultation with the Executive Director, shall establish the amount of any Fees related to use of the District's facilities or facility-based services. In establishing any program-based Fees, the Board, in consultation with the Executive Director, shall conduct an evaluation of the District's costs in providing each program, and shall establish cost recovery goals for those programs for which Fees will be charged.
- b. Revenue generated from Fees shall be deposited directly in the District's General Operating Account.
- c. The District may, from time to time, engage independent contractors to provide services or programs to the District's constituents. Prior to entering into any such independent contractor agreement, the Executive Director, or his/her designee, shall conduct an analysis to determine whether the fees the independent contractor proposes to charge the District and/or its constituents, as well as any proposed revenue sharing arrangement between the independent contractor and the District, are appropriate based on the type and popularity of the program or service, the qualifications of the independent contractor, and the cost of similar programs or services in comparable markets.

3. Gifts/Donations, Memorials, Grants, and Sponsorships From Other Entities or Individuals

- a. Gifts/Donations. Pursuant to Section 170(c) of the Internal Revenue Code, the District may receive tax-deductible gifts and donations of money, property, or services made to the District for exclusively public purposes. Any gifts or donations made to the District must be freely and voluntarily given, without promise, expectation, or receipt of consideration or other benefit from the District. Upon the District's acceptance of a gift or donation, the District will provide the donor with a charitable donation receipt letter for the donor's records, acknowledging and documenting the gift or donation. Donors are responsible for discussing all tax matters related to the gift or donation with their personal accounting and tax professionals, including all matters related to tax deductions.

Donations of property or non-construction related services (*i.e.*, "in-kind" donations) must be approved by the District's Executive Director or pre-approved by the Board if the value of the donation is greater than \$5,000. Regardless of the value of the donation, the Executive Director or the District Board shall ensure that the donation is needed and consistent with the District's mission and services, and that it is in the best interest of the District and the community to receive the in-kind donation.

Consistent with this policy, the District may accept in-kind donations of construction-related goods or services; however, the District will not accept such donations if offered as part of a response to, or otherwise in connection with, a District competitive bidding (RFP) process. All other offers of construction-related goods or services will be evaluated on a case-by-case basis by the Executive Director or District Board, as described above.

- b. Asset Dedication Memorials. The District may, from time to time, be approached by residents, businesses, or other persons or entities, with requests to establish memorials within the District through the dedication of tangible assets, such as trees or benches.

The Executive Director shall develop a description of types and costs of the tangible assets that may be available for dedication, which may include, but not be limited to, trees, benches, boulders, plaques, outdoor shelters, and playground equipment. Upon request, the Executive Director, or designee, shall provide a list of available memorial sites and the type(s) and cost(s) of assets available for dedication at such sites. The Executive Director, or designee, may consider approval of other, specifically requested memorial sites or tangible assets, based upon factors such as the location of existing memorials, programs at such sites, public safety, mowing access, tree roots, irrigation lines, maintenance requirements, existing landscaping, and other factors deemed relevant by the Executive Director or designee. The District will be responsible for the installation, maintenance, and repair or replacement of dedicated assets.

All dedicated assets are subject to the District's specifications for size, design, material, type, tree species, and other functional and aesthetic characteristics, in order to ensure durability and uniformity with other District assets in the surrounding area. The District reserves the right to exercise complete editorial control over the content of any inscriptions or plaques. The District will accept and maintain within the District memorials dedicated only to individuals, or charitable or non-profit organizations, which have a good reputation and whose association with the District promotes a positive and desirable image of the District. The District will not accept memorials dedicated to persons or organizations from whom the District would be prohibited from accepting a District sponsorship pursuant to the sponsorship program established by subsection (e) below.

- c. **Naming Memorials.** The District may, from time to time, consider the naming or renaming of District owned parks, trails, buildings, ball fields, or other major facilities or features (for purposes of this subsection, "District Feature(s)"):
- i. In honor of persons having historic or cultural significance to such District Feature or to the District or community as a whole, or
 - ii. In recognition of persons or organizations (whether for-profit or non-profit) having made an extraordinary gift to the District or such District Feature.

Because the names of District Features are intended to provide an enduring and common social marker for such features, the naming or renaming of District Features after persons or organizations should be reserved for exceptional circumstances and only after careful consideration and public comment. The District will not name or rename a District Feature after any person or organization from whom the District would be prohibited from accepting a District sponsorship pursuant to the sponsorship program established by subsection (e) below.

Proposals to name or rename any District Feature shall be considered by the District Board, including consideration of the following questions:

- i. Is the proposed name associated with a person or organization of good reputation, and will it promote a positive and desirable image of the District for generations to come?
- ii. Does the proposed name memorialize a person or organization that is of enduring importance to the District or the community?
- iii. Is the proposed name identified with a major achievement or the advancement of public good within the District or the community?
- iv. Is the proposed name suitable for a District Feature, considering the location and history of the feature and surrounding neighborhood?
- v. Will a proposed name that accompanies a corporate gift result in the undue commercialization of a District Feature?

The naming or renaming of District Features after individuals is encouraged only for persons who are deceased. Other than in exceptional circumstances, such naming or renaming should occur only after such person has been deceased for at least five years, and his/her good reputation and significance to the District or community have been secured in the community's collective history. Notwithstanding the foregoing, the naming or renaming of District Features after living persons may be appropriate for individual benefactors making a major gift to the District, as described below.

Ordinarily, the making of gifts to the District should be handled through the District's policy for gifts and donations, as provided in subsection (a) above. However, on rare occasions, a gift may be of such magnitude and generosity that the naming of a District Feature in honor of the benefactor may be considered. For example, such gifts may include: (i) donating the land upon which the District Feature will be situated; (ii) paying all or substantially all the capital costs of constructing a major District Feature

such as a building, ball field, or playground; or (iii) providing a long-term endowment for the ongoing maintenance and repair of a District Feature, or for the provision of programming at a District Feature.

All signage on District Features named or renamed pursuant to this policy is subject to the District's specifications for size, font, design, material, and other functional and aesthetic characteristics, in order to ensure durability and uniformity with other District signage or the surrounding area. The District reserves the right to exercise complete editorial control over the content of any signage, which shall not include corporate logos, brands, insignias, or slogans.

Any person, community group, or organization may propose to name or rename a District Feature by submitting a letter to the District Board stating:

- i. The District Feature proposed to be named or renamed;
- ii. The proposed name for the District Feature;
- iii. If in connection with a deceased individual, the name of the individual, date of death, and detailed description of his/her good reputation and significance to the District or community; and
- iv. If in connection with the benefactor of a major gift to the District, the name of the benefactor, a description of the gift, and detailed description of the benefactor's good reputation and significance to the District or community.

The Board will initially consider the proposal at a public meeting. If, following the public meeting, the Board is interested in entertaining the proposal further, the Board will set the matter for a public hearing at a future meeting of the Board, in order to solicit comments and feedback from the community. In the Board's discretion, the Board may continue the public hearing to a subsequent meeting. After the close of a public hearing, whether at the same or subsequent meeting, the Board will make a final determination whether to approve or deny the proposal to name or rename a District Feature.

- d. **Grants.** The District may, from time to time, apply for federal, state, nonprofit, corporate, or other organizational grants, scholarships, or other similar funding opportunities (collectively "Grant(s)") for the purpose of enhancing the District's operations, administration, facilities, equipment, programming, or other services or recreational opportunities offered by the District to the community.

Any staff member proposing to apply for a Grant must first obtain the approval of the District's Executive Director to ensure that the benefits to be received under the Grant are needed by the District, and that it is in the best interest of the District and the community to apply for the Grant. Additionally, any proposal to apply for a Grant requiring the District to commit "matching" or other funds or in-kind contributions must receive prior approval by the Executive Director, if the District's contribution would be less than \$5,000 and sourced from currently appropriated funds, or by the

Board, if the District's contribution would be \$5,000 or more, or would require a new appropriation of funds.

- e. Sponsorships. The Board has established a separate policy (attached hereto as Attachment 1) for accepting sponsorships of the District and/or specific District programming. Any such sponsorship opportunities shall comply with all applicable laws, rules, and regulations, and shall not conflict with these Fiscal Policies.

F. Non-Information Technology Surplus Property

1. The Executive Director shall periodically identify non-information technology (IT) tools, equipment, vehicles, or other forms of personal property that, due to age, condition, obsolescence, changed operations, or otherwise, no longer further the District's efficient and effective administration and operations ("Non-IT Surplus Property").
2. The Board shall approve in advance the sale of any non-IT Surplus Property that, at the time of its disposition, has an estimated fair market value of \$5,000 or more.
3. The Executive Director is authorized to sell non-IT Surplus Property that, at the time of its disposition, has an estimated fair market value of less than \$5,000, subject to the following limitations and conditions:
 - a. The Executive Director shall use appropriate due diligence, including reference to the District's asset inventory and depreciation schedule, to determine that the value of the non-IT Surplus Property is less than \$5,000;
 - b. If more than one item of non-IT Surplus Property is being sold, such items are not interrelated, such that the aggregate fair market value of all the items of non-IT Surplus Property is estimated to be \$5,000 or more; and
 - c. The Executive Director reports the non-IT Surplus Property sale to the Board at the first regularly scheduled Board meeting following the sale.
4. The Executive Director is authorized to donate or otherwise dispose of non-IT Surplus Property that the Executive Director, through appropriate due diligence, has determined has no appreciable fair market value, or for which the costs of selling the non-IT Surplus Property would likely equal or exceed the proceeds of such sale. Donations of non-IT Surplus Property shall be made to other local governments or other nonprofit organizations. The Board may, from time to time, request that the Executive Director provide information regarding items of non-IT Surplus Property donated or disposed of pursuant to this Section 2(F)(4).
5. Any sale or donation of non-IT Surplus Property shall be accompanied by a Bill of Sale or Donation Bill of Sale, as applicable.

G. Information Technology Surplus Property

1. The Executive Director shall periodically identify computers, printers, telephones, televisions, servers, switches, cameras, and other IT tools, equipment, and personal property that due to age, condition, obsolescence, changed operations, or otherwise no longer further the District's efficient and effective administration and operations ("IT Surplus Property").
2. IT Surplus Property shall be categorized as either "stand-alone" or "system" IT Surplus Property. "Stand-alone" IT Surplus Property are items of IT Surplus Property that are able to function without integration with other IT elements; for example, computers, printers, and cameras. "System" IT Surplus Property are items of IT Surplus Property that are not able to function without integration with other IT elements, or that are intended for purchase and use as part of an integrated IT system; for example, servers and switches, or telephone servers and their associated telephones.
3. IT Surplus Property shall be depreciated according to industry standards and valued as of the date of disposition.
4. The Board shall approve in advance the sale or donation of any stand-alone IT Surplus Property with an estimated value at the date of disposition exceeding \$500, or any system IT Surplus Property with an estimated value of all system elements at the date of disposition exceeding \$2,000.
5. The Executive Director is authorized to sell or donate any stand-alone IT Surplus Property with an estimated value at the date of disposition of \$500 or less, or any system IT Surplus Property with an estimated value of all system elements at the date of disposition of \$2,000 or less, subject to the following limitations and conditions:
 - a. The Executive Director shall use appropriate due diligence, including reference to the District's asset inventory and depreciation schedule, to determine that the value of the stand-alone IT Surplus Property is \$500 or less, or that the value of the system IT Surplus Property is \$2,000 or less; and
 - b. The Executive Director reports the IT Surplus Property sale or donation to the Board at the first regularly scheduled Board meeting following the sale or donation.
6. Any donation of IT Surplus Property pursuant to this Section 2(G) shall be made to other local governments or nonprofit organizations. Any sale or donation of IT Surplus Property shall be accompanied by a Bill of Sale or Donation Bill of Sale, as applicable.
7. In the event the IT Surplus Property being sold or donated must be cleared of District network files, confidential information, programs, software, or other data, materials, or information, the recipient of such property shall be charged a \$100 property transfer fee to compensate the District for the cost of such removal.

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8. The Executive Director is authorized to recycle or otherwise dispose of IT Surplus Property that the Executive Director, through appropriate due diligence, has determined has no appreciable fair market value. The Board may, from time to time, request that the Executive Director provide information regarding items of IT Surplus Property disposed of pursuant to this Section 2(G)(8).

H. Community Requests for Funding/In-Kind Donations/Other Community Activity Support

1. The Board may from time to time, in its sole discretion, grant requests for contributions of funding, in-kind donations, or other types of support for community activities, including but not limited to, equipment, supplies, marketing and promotions assistance, cash or cash-equivalent contributions, and/or staff time, that align with the District's mission and/or services, when all of the following requirements are satisfied:
 - a. The requesting community organization ("Requester") is either a nonprofit corporation or a governmental entity, such as the state or a county, special district, or school district, located wholly or partially within the District's jurisdiction. The Board will not grant requests submitted by political or religious organizations, or that are made by or primarily benefit individuals or for-profit corporations.
 - b. Participation in the proposed activities is open and available to all District constituents on an equal basis (subject to appropriate age restrictions); or, if participation is limited to members of the Requester's organization, then membership in the Requester's organization is open and available to all District constituents on an equal basis. The Board will not grant requests for contributions that will benefit only a designated group of individuals, or the members of organizations with restricted memberships.
 - c. The Requester must contact the Executive Director or his/her designee and submit a completed application, which is responsive to the District's standard requests for information.
 - d. Applications including requests for (i) cash funding of \$200 or more; (ii) cash-equivalent funding of \$1,000 or more; or (iii) that will continue for one year or longer, must be approved by the District Board, and must be submitted to the Executive Director at least two weeks in advance of the Board meeting at which the Requester is seeking Board consideration. Consideration of applications that are not received at least two weeks in advance of the Board meeting may be delayed until the next succeeding Board meeting.
 - e. Applications including requests for (i) cash funding of less than \$200; (ii) cash-equivalent funding of less than \$1,000; or (iii) non-cash/cash-equivalent resources, and that will continue for less than one year, may be determined by the Executive Director in accordance with the needs and best interests of the District, its residents, and individuals passing through its jurisdiction; provided that all such approved

funding requests shall be consistent with these Fiscal Policies and shall be made from currently appropriated funds.

- f. Requesters whose applications are approved may be required to engage in a contribution agreement development process with the Board, Executive Director or his/her designee, and/or District Manager(s), and, in such case, must enter into a contribution agreement with the District in a form acceptable to the Board or Executive Director. The District will verify that the Requester has satisfied all preliminary obligations under the agreement prior to releasing funds. Information concerning such contribution activities will be reported annually, or more frequently as requested, to the Board at a regularly scheduled meeting.
2. Contributions are not guaranteed, and are dependent upon the District's financial condition, operational needs, availability of funds designated for community requests for funding, and any other considerations deemed appropriate by the Board or Executive Director in its/his/her sole discretion, as applicable. The Board or Executive Director, as applicable, may determine, in its sole discretion, to deny any request, or to grant a request in full or in part, or subject to one or more conditions.
3. Requesters may request revisions to the amount, timing, or nature of a contribution only by submitting the proposed revision to the Executive Director in writing. Requests for revisions will be considered pursuant to the policies and procedures set forth in this Section 2(H).

SECTION 3: CASH MANAGEMENT

A. Financial Accounts

1. The Board shall establish one or more District financial accounts at such banking or other financial institutions as are authorized to accept deposits of public funds pursuant to the Public Deposit Protection Act. Once a financial account has been opened, the Executive Director, with assistance from the Administrative Services Manager, shall manage the account's daily administration and maintenance.

B. Investing Cash

1. The Board has established, by separate policy, a prudent cash investment strategy that includes procedures for determining sound investment policies and procedures; determining the amount of cash that can be invested and for how long; selecting a financial institution to provide necessary services; and selecting appropriate investment instruments.
2. The Board hereby has established an Investment Committee comprised of the Executive Director and two Board members appointed by the Board. The Investment Committee considers and may make investment decisions on behalf of the Board consistent with these Fiscal Policies, the District's investment policies, and the Colorado Revised Statutes. The Investment Committee or Executive Director shall provide investment performance reports to the Board at least quarterly at its regular Board meetings, or more frequently

upon the Board's request. Nothing herein shall be deemed an irrevocable delegation of authority to the Investment Committee, and the Board reserves to itself the full power and authority at any time, in its discretion, to engage in any investment related activities that otherwise have been delegated to the Investment Committee. The members of the Investment Committee shall hold such fidelity bonds in such amounts as may be determined by the Board from time to time. The District shall pay the costs of such fidelity bonds.

C. Cash Reserves

1. By Resolution or as part of its annual budgeting process, the Board establishes parameters and a cash reserves target for managing, using, and investing the District's funds in order to maintain adequate available financial resources to sustain District operations and to protect the District against unforeseen circumstances and events, such as revenue shortfalls and unanticipated expenditures. Cash reserves may be designated in one of four components, collectively called the fund balance:

- a. Restricted Fund Balance (Externally Enforceable Limitations on Use). That portion of the fund balance that is not available for general operating purposes and/or is limited to use for specific purposes due to applicable laws, rules, or regulations, or limitations imposed by the grantor of the funds. The following cash reserves have been designated as restricted: (i) Conservation Trust Fund (CTF); and (ii) TABOR Emergency Reserves.
- b. Committed Fund Balance (Self-Imposed Limitations on Use). That portion of the fund balance committed by the Board for specific purposes pursuant to formal Board action, such as adoption of an annual budget, or by Resolution or motion. The Board may amend the specific purposes for which the fund balance is committed and/or the committed amounts by a subsequent formal Board action, such as adoption of a supplemental budget, or by Resolution or motion. The following cash reserves have been designated as committed: (i) PERA Employer Pension Liability, and specifically, the proportionate share of the District's estimated long term net liability as determined by the most current PERA financial audit; and (ii) the total of all District employees' accrued PTO (Paid Time Off Benefit), a short-term liability as determined by the most current District financial audit; and (iii) an Annual Operating Reserve, calculated as the net amount of the current fiscal year budgeted deficit or increase resulting from operations revenue and expenses, including personnel and the Scheduled Capital Improvements portion of the approved annual budget.

Scheduled Capital Improvements (Scheduled CIP) shall be defined as District-owned or -leased assets that have been incorporated into the District's asset management database with corresponding anticipated useful life and maintenance/replacement cost analysis. The Board may designate Scheduled CIP as Non-Scheduled CIP (see subsection (c) below) if improvements or enhancements to the asset are deemed significant or outside of the database analysis.

- c. Assigned Fund Balance (Limitation Resulting From Intended Use). That portion of the fund balance assigned by the Board for specific purposes pursuant to formal Board action, such as adoption of an annual budget, or by Resolution or motion, but that is not committed or restricted. The Board may amend the specific purposes for which the fund balance is assigned and/or the assigned amounts through subsequent formal action, such as adoption of a supplemental budget, or by Resolution or motion. The following cash reserves have been designated as assigned: (i) Annual Capital Projects, the net amount of the District's expenses for Non-Scheduled Capital Improvements (Non-Scheduled CIP) projects, including any payments that may be required pursuant to existing capital improvement financing, such as general obligation debt payments and/or lease-purchase financing payments; and (ii) Future Project Allocation, an amount appropriated for future projects and/or other purposes that are not committed or restricted.
- d. Unassigned Fund Balance (Residual Net Resources). That portion of the fund balance that represents residual positive resources in excess of the funds that have been assigned to another category. In the event of an anticipated unassigned amount that is less than the total of the subsequent fiscal year's projected operating expenses, including personnel, general operations and Scheduled CIP, the Executive Director shall provide fund balance stabilization analysis and recommendations to the District Board prior to the adoption of the succeeding fiscal year's annual budget. Unassigned funds shall remain invested in the District's ColoTrust account or such other investment accounts or instruments as may be determined by the Investment Committee or the Board.

SECTION 4: CAPITAL PROJECT FINANCING

A. Strategies

1. The Board recognizes there are many alternatives for funding capital projects, including, without limitation: (a) payment from accrued reserves or current cash funds; (b) incurring general obligation debt; (c) issuing revenue bonds; (d) receipt of grants, gifts, or donations; (e) anticipation notes; (f) short-term loans; (g) certificates of participation; or (h) entering into other financing arrangements, such as lease-purchases or issuance of certificates of participation.
2. The Board may determine to use one or a combination of funding strategies for a capital project as appropriate to meet the needs and best interests of the District and the capital project. Prior to approving the implementation of a proposed capital project, the Board shall consider the advantages and disadvantages of the proposed funding strategy(ies). Once a decision has been reached, the Board shall comply with all applicable federal and state laws governing the identified funding strategies for its capital projects.

B. Bids

1. The District shall publish a notice for bids on all construction contracts for work or material, or both, of \$60,000 or more. The District may reject any and all bids, or may accept the proposal that, in the Board's sole discretion, represents the best value to the District. If it appears that the District can perform the work or secure the materials for less than the lowest bid, the Board may determine to do so.

ATTACHMENT 1: ERBM SPONSORSHIP POLICY

A. **Statement of Purpose**

The mission of the Eastern Rio Blanco Metropolitan Recreation and Park District ("District") is to provide year-round recreational, cultural, and outdoor experiences that improve well-being and promote a vibrant community for the residents, visitors, and future generations of eastern Rio Blanco County. In furtherance of this mission, the District's Board of Directors ("Board") adopts this Sponsorship Policy in order to provide enhanced revenue opportunities for the District so that it may develop, continue, and improve its offering of recreational, cultural, and outdoor experiences to its citizens and visitors; maximize its public resources; seek alternative funding to reduce the burden of government on the District's taxpayers; and strengthen positive relationships between public and private stewards of the community.

B. **Scope**

This Sponsorship Policy applies only to support District programs and services as recognized or acknowledged by the District and described in this policy. It does not include volunteer work, gifts, or donations to the District that are provided or made without expectation of recognition or acknowledgment from the District; nor does it apply to the award of grants, scholarships, or other similar funding opportunities to the District.

C. **Sponsorship Opportunities**

The District's Executive Director shall develop a description of available District sponsorship opportunities. Depending on the needs and best interests of the District, as determined by the Executive Director and the District's Marketing and Innovation Team, such sponsorship opportunities may be offered on a regular or ongoing basis (for example, advertising in the District's Activity Line-Up) or may arise and be offered on an ad hoc basis (for example, being the exclusive t-shirt supplier for a District 10K race). Potential sponsors also may contact the District at any time to inquire about District needs and related opportunities for sponsorship. Potential sponsors must follow an application process established by the Executive Director for any offered or proposed sponsorship. Notwithstanding anything herein to the contrary, the Executive Director shall, on an annual basis or from time to time, in his/her discretion, seek Board approval of any available, offered, or proposed District sponsorship, or report the selection of sponsors or terms of any sponsorship agreement, as described in sections D and E below.

D. **Selection of Sponsors**

Sponsors may be individuals or for-profit or non-profit corporations, companies, partnerships, or other business entities organized in any State of the United States, whose association with the District promotes a positive District image. The District reserves the right to decline sponsorships that do not promote the health, safety, prosperity, security, or general welfare of the District or its citizens, or that impairs the District's reputation, or its efficient administration

or operations.

Sponsors will be selected by the District's Executive Director, or his/her designee, based on input from the Marketing and Innovation Team in consideration of the following criteria:

1. Whether the proposed sponsorship promotes a positive and desirable image of the District within the community;
2. Whether the District has an actual need that will be filled by the proposed sponsorship;
3. Whether the proposed sponsorship will allow the District to provide the program or service at less cost than the District would be able to provide without the sponsorship;
4. Whether the proposed sponsorship would violate any applicable federal or state laws, rules, or regulations, or conflict with the District's established Fiscal Policies;
5. The real costs to the District, including staff time, of procuring, implementing, and administering the proposed sponsorship; and
6. The extent to which any proposed sponsor's commercial products or services duplicate or mimic the identity, programs, or services offered by the District.

Additionally, the District will not accept sponsorships from political or religious organizations, or from any business entity primarily engaged in the manufacture, marketing, sale, or distribution of products or services that would be illegal if marketed or sold to children, including, but not limited to, alcohol, tobacco, marijuana, firearms, and sexually explicit or adult materials. Exceptions may be made for sponsors primarily engaged in the manufacture, marketing, sale, or distribution of alcohol ONLY for District programming and services offered exclusively to adults; for example, adult athletic tournaments or adults-only trips.

E. Sponsorship Agreements and Implementation of Sponsorships

All selected sponsors must execute a sponsorship agreement in the form provided by the District. Sponsorship agreements must include a description of the proposed sponsorship, including the sponsored event or activity, sponsorship amount, type of public recognition to be provided by the District, and, to the extent practicable, the date or duration of the sponsorship. The sponsorship agreement also shall permit the District to terminate the sponsorship and sponsorship agreement at any time if the sponsor fails to comply with any term or condition of the agreement, or if the District determines, in its sole discretion, that the sponsorship no longer promotes a positive District image; no longer promotes the health, safety, prosperity, security, or general welfare of the District or its citizens; or impairs the District's reputation, or its efficient administration or operations.

The District will publicly recognize the sponsor in the manner provided in the sponsorship agreement, which may include print advertising; the placement of banners, signs, or other displays; exclusive product distribution; booth or other venue space; spoken announcements; etc. Such public recognition is intended to thank sponsors for their support and to encourage the future sponsorship of

the District and its programming and events. The District reserves the right to exercise complete editorial control over the content of any advertisements, banners, signs, other displays, verbal announcements, or other visual, written, or spoken recognition. The public recognition of a sponsor does not constitute and shall not be construed as the District's endorsement of any sponsor or its products or services.

The District does not provide special concessions or favored treatment to District sponsors, including, but not limited to, in connection with District contracts, vendor or independent contractor opportunities, access to District facilities, programming, or events, or receipt of permits or other District benefits. The District reserves the right, in its sole discretion, to decline any sponsorship proposal or to terminate a sponsorship if the District becomes aware or reasonably believes that such proposal or sponsorship is offered in an effort to obtain special concessions or favored treatment from the District.

F. Amendments and Termination of Sponsorship Policy

The Board may, at any time in its sole discretion, amend or terminate the District's sponsorship program or this Sponsorship Policy. Any such termination shall become effective immediately following the expiration or termination of all then-existing active sponsorships.

Colorado law governs this Sponsorship Policy. If any provision is held invalid or unenforceable, all other provisions shall continue in full force and effect. This Sponsorship Policy is not intended to, and shall not, confer rights on any person or entity.