

TOWN OF PALMER LAKE, COLORADO

RESOLUTION NO. 72 - 2025

A RESOLUTION AUTHORIZING MANAGEMENT OF WATER FUNDS TO GENERATE INCREASED INTEREST INCOME FROM THE FUNDS

WHEREAS, the Board of Trustees of the Town of Palmer Lake, Colorado, pursuant to Colorado statute and the Town of Palmer Lake Municipal Code, is vested with the authority of administering the affairs of the Town of Palmer Lake, Colorado; and

WHEREAS, Section 3.04.050 of the Town Code provides, in part, that the Board of Trustees may authorize the Town Treasurer, by written resolution, to invest any part of the Town's funds in securities authorized for such investment by state law; and

WHEREAS, Town Staff have recommended that transferring certain water funds from checking accounts to reserve accounts, which are state approved securities, will (1) increase interest income on such accounts and accomplish reserve targets as provided in the Town's 2023 Water Rate Study, previously accepted by the Board through approval of Resolution 73-2023, and (2) better align funds in preparation for the transition from a single Water Fund to a Water Operating Fund and a Water Capital Fund; and

WHEREAS, the recommended transfers are reflected in Exhibit A Water Accounts, attached; and

WHEREAS, the Board of Trustees has reviewed the proposed transfers and agrees with the recommendations of Staff.

NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF TRUSTEES OF THE TOWN OF PALMER LAKE, COLORADO AS FOLLOWS:

1. The Town Treasurer is hereby authorized and directed to transfer funds as indicated on Exhibit A, attached.
2. Severability. If any article, section, paragraph, sentence, clause, or phrase of this Resolution is held to be unconstitutional or invalid for any reason such decision shall not affect the validity or constitutionality of the remaining portions of this Resolution. The Board of Trustees hereby declares that it would have passed this resolution and each part or parts thereof irrespective of the fact that any one part or parts be declared unconstitutional or invalid.
3. Repeal. Existing resolutions or parts of resolutions covering the same matters embraced in this Resolution are hereby repealed and all resolutions or parts of resolutions inconsistent with the provisions of this Resolution are hereby repealed.

INTRODUCED AND PASSED AT A REGULAR MEETING OF THE BOARD OF TRUSTEES OF THE TOWN OF PALMER LAKE ON THIS 11TH DAY OF DECEMBER 2025.

ATTEST:

TOWN OF PALMER LAKE, COLORADO

Erica N. Romero
Town Clerk

BY: _____
Dennis Stern
Mayor

EXHIBIT A

Orange cells show CURRENT acct balances.

Green cells show TARGET balances.

Blue cells show recommended TRANSFERS.

COMMUNITY BANKS OF COLORADO

COLOTRUST

Water Checking Account

Balance 10/31/25 \$ 1,182,014

1. Transfer from Water Operating to Water Reserve to meet Op & Emergency Reserve targets.

Note: CWRPDA requires 3 months op (229,263); water study recommends 1 year of loan payments (211,887)

2. Water Loan Reserve exceeds target. Transfer overage from Water Loan Reserve to Water Operating.

3. Transfer (Operating current balance less above transfers and less target balance*) to Water Capital Reserve.

Bal after transfer 3
TARGET BALANCE* 725,263

1. Water Reserve Account (WOF)

Water Reserve acct bal 10/31/25 \$ 208,948

Operating Reserve TARGET BALANCE
(45 days per study, 2024-unaudited) 114,632

Emergency Reserve TARGET BALANCE
(200k per 2023 study + 5%) 210,000

Total TARGET BALANCE 324,632

difference = TRANSFER amount 115,684

2. Water Loan Reserve Account (WCF)

Water Loan Reserve acct bal 10/31/25 231,482

TARGET BALANCE
(1 year of loan payments) 229,263

difference = TRANSFER amount (2,219)

3. Water Capital Reserve Account (WCF)

Water Cap Reserve acct bal 10/31/25 232,202

TARGET BALANCE 575,489

difference = TRANSFER amount 343,287

***OPERATING ACCOUNT TARGET BALANCE CALCULATION**

3 mo operating exp, 2024 229,263

actuals, unaudited

2026 proposed capital

outlays 496,000

*3 mo op plus 2026

proposed cap outlays 725,263

PROOF OF ACCOUNTS TOTALS

Total of ALL accounts before transfers 1,854,646

Total of ALL accounts after transfers 1,854,646

CALCULATION OF EXPECTED ADDITIONAL INTEREST INCOME

Total in COLOTRUST before transfers 672,632

Total in COLOTRUST after transfers 1,129,383

difference = additional funds earning interest 456,751

ADDITIONAL INTEREST INCOME EXPECTED
IN 2026 (3.75% APY) \$ 17,128