FIRESTONE
COLORADO

FINANCE COMMITTEE

REGULAR MEETING AGENDA
January 27, 2021
5:30 PM
2 Park Avenue
Firestone, CO 80504

1. **Call to Order & Roll Call**
2. **Pledge of Allegiance**
3. **Approval of Agenda**
4. **Approval of Meeting Minutes**
    1. **Approval of June 17, 2020 Meeting Minutes**
5. **Discussion**
    1. **Selection of Chair & Vice Chair**
    2. **Policy Review; Debt Policy, Travel Policy and Working Reserve Policy**
    3. **Santa Cops**
6. **Adjournment - 6:30 pm**

TOWN OF FIRESTONE, COLORADO
Finance Committee Regular Meeting
MINUTES
June 17, 2020

1. Call to Order & Roll Call

The Finance Committee of the Town of Firestone met for a Regular Meeting on June 17, 2020, at the Police Department, 2 Park Avenue, Firestone, Colorado. Chair Jimenez called the meeting to order at 5:32 PM.

The following were present upon the call of the roll:

Chair:
Frank A. Jimenez

Vice Chair:
Doug Sharp

Citizen Member:
Anna Thigpen
Alexandra Kim

Staff: Present: Jessica Koenig, Secretary to the Committee; Jessica Clanton, Finance Director; AJ Krieger, Town Manager

2. Pledge of Allegiance

Chair Jimenez led the pledge of allegiance.

3. Approval of Agenda

Motion by Citizen Member Thigpen, **second** by Citizen Member Kim, to Approve the agenda, All in Favor, **Motion carried**.

4. Approval of Meeting Minutes

a. Approval of January 22, 2020 Finance Committee Meeting Minutes

Motion by Citizen Member Thigpen, **second** by Citizen Member Kim, to Approve the January 22, 2020 Meeting Minutes, All in Favor, **Motion carried**.

5. Discussion

a. Audit Presentation

The Committee reached a consensus to recommend the audit for consideration by the Board of Trustees.

6. Adjournment - 6:30 pm

Motion by Citizen Member Thigpen, **second** by Citizen Member Kim, to Adjourn at 6:03 PM, All in Favor, **Motion carried**.

TOWN OF FIRESTONE TRAVEL POLICY
ADOPTED OCTOBER 2020

The Town recognizes the necessity for employees to travel for Town business and is committed to financial stewardship to protect Town taxpayer funds to preserve the confidence of the taxpayers. This policy provides uniform guidelines for all Town employees who travel and conduct business on behalf of the Town. The policy applies to all travel expenses for which Town funds are disbursed, including lodging, transportation, mileage, meals and other travel-related expenses.

TRAVEL REQUIREMENTS AND RESTRICTIONS

All travel must be approved by the Employee's direct supervisor or Department Director prior to booking transportation and lodging.

Department Directors must inform their employees traveling for Official town Business of travel reimbursement policies and ensure that employees adhere to them.

All travel for Department Directors must be approved by the Town Manager prior to booking transportation and lodging.

In-state or out-of-state travel for Official Town Business may be eligible for reimbursement or payment for Travel Expenses; however, overnight stays are generally not permitted in the Denver Metro area (including Boulder and Ft. Collins) or for destinations within a 50-mile radius of Town Hall, Police Facility or Public Works unless the Department Director or Town Manager approves the overnight stay in advance under the circumstances (for example, conferences that have activities well into the evening).

All travel is subject to audit either by external auditors and/or by the Finance Department.

The Employee must always choose the most reasonable cost and means for the travel under the circumstances.

When the Town employee is accompanied by a non-employee, the non-employee's travel expenses must be purchased using personal funds. Town funds will be extended to the Town employees on official Town Business only.

If the scheduled trip is cancelled, the Employee shall, upon learning of the cancellation, immediately refund all travel advances to the Town that are refundable.

The Employee must always request tax exempt status when making reservations or any travel related purchases. A copy of the Town's tax-exempt certificate is available on the Shared Drive (G:\Finance). For out-of-state travel, note that airlines, hotels, and other vendors may not honor the Town's tax exempt status.

Authorization for travel is subject to available travel funds being appropriated in the annual budget.

Gratuity for services should be reasonable based on the type of service rendered and not more than 20%.

Housekeeping tips are not reimbursable.

UNAUTHORIZED TRAVEL EXPENSES

Without limitation, the following expenses are unauthorized, shall not constitute Travel Expenses under this Policy, and shall not be reimbursed or purchased with Town funds:

- All expenses incurred by Town employee's family members or other persons not on Official Town Business
- Alcoholic beverages
- Personal clothing and accessories
- Laundry or cleaning services
- Sporting or entertainment activities such as golf, tours or other extracurricular activities
- First Class or Business Class Airfare
- Airline change fees, travel insurance, travel upgrades or excess baggage fees (unless approved, in advance, by Department Director or Town Manager
- In-room movies, room services or other personal lodging services
- Replacement value of any personal items lost, stolen or damaged while traveling on Official Town Business
- All other personal expenses not for the benefit of the Town

AUTHORIZED TRAVEL EXPENSES

- **TRANSPORTATION (AIR, BUS, RAIL)** - Travel may be accomplished by commercial airline, Town-owned vehicle, rail, personal vehicle, courtesy transportation, or local public transportation such as a bus, shuttle service, ride share platform or taxi. Low cost or free conference shuttles should be the primary option when provided and employees are encouraged to ride together (carpool) to obtain the lowest cost for the Town.
    - All travel fares (air, bus and rail) should be purchased at the lowest coach fare available, whenever possible to assure the timing of such travel meets the needs of the Employee to conduct Official Town Business.
    - Direct flights shall be considered the standard, even though flights with connections and/or layovers are often less expensive.
    - Baggage fees are allowed for one checked-in or carried-on piece of luggage. Situations requiring more than one checked bag (i.e. for presentation materials, etc.) require Department Director approval.
    - Early-check in and other reasonable fees are reimbursable.
    - Fares shall be purchased using Town issued credit card or Town check. The Town employee may receive reimbursement if detailed receipts and appropriate forms are provided to the Finance Department.
    - Use of Toll Roads/Express Lanes: In general, a reasonable alternative to using toll roads/express lanes should be utilized. In cases of emergencies, extenuating circumstances, or the location of the destination in relation to using a toll road versus a non-tolled route, employees should use appropriate judgment or obtain prior supervisor approval as the situation warrants.
    - Mileage for travel in a personal vehicle will be reimbursed at the IRS reimbursement rate after travel has been completed. Travel distances will be calculated from the employee’s starting destination (primary work address or home address) to the travel destination.
    - Rental Car - Town employees who are renting vehicles for Town business have coverage through CIRSA. There is no need to buy the rental companies coverage.

- Parking – In all cases, but within reason, costs for parking should be kept to a minimum. Parking costs with receipt shall be reimbursed.
  - Hotel Parking: Self-parking shall be utilized, if available. Valet parking is allowed if it is the only option available. The employee shall pay the difference for additional costs of covered parking or valet service when other options are readily available.
  - Airport Parking: On-site airport parking shall be reimbursed, so long as it is for the most economical daily rate. Off-site airport parking can be utilized and shall be reimbursed, so long as the rate is equal to or less than the on-site economical daily rate. Employees may choose which airport lot they wish to utilize but must pay the difference of any parking that exceeds the most economical on-site per day rate.

- **LODGING -** The Town shall reimburse Employees for lodging expenses based on actual cost.
  - All lodging bookings should be purchased at the lowest or moderate price.
  - Lodging is allowed only for the number of nights necessary to attend to the Official Town Business. Extra nights shall be at the Employee's expense.
  - If approved by the Employee's direct supervisor or the Department Director in advance, (1) if the Official Town Business event ends at 5:00 pm or later, it may be permissible to stay that evening and fly home the next day, or (2) if the Official Town Business event begins at 9:00 am or earlier, it may be permissible to stay the evening before.
  - The nightly hotel rate will be limited to the GSA rate for the Destination Town. If the Employee wishes to stay at a hotel with a rate above this limit, an explanation must be shown on the Travel Request Form when submitted to the Employee's supervisor or the Department Director. Extra costs in lodging due to employee's guests must be at the employee's expense. These and other personal expenses (personal phone calls, room service, in-room movies, etc.) must be paid for separately using personal funds.
  - Lodging shall be purchased using Town issued credit card or Town check prior to travel or, if the Town employee used their personal funds, the Employee may receive reimbursement for lodging.

- **MEALS AND INCIDENTAL EXPENSES WHILE ON TRAVEL (OVERNIGHT STAYS) -** The Town shall provide the Employee reimbursement for meal and incidental expenses. Prior to travel, Employee must elect a meal reimbursement option listed below. The options available for meal reimbursements are:

  1. ACTUAL COSTS: Actual expense reimbursement or use of Town credit card for meals, tips and snacks. If the actual costs reimbursement or Town credit card option is chosen, an itemized receipt must be submitted for every expense.

  2. PER DIEM: Per Diem per the GSA Per Diem method for meals and incidentals for the whole trip.
     - Meal Per Diem: The Town will reimburse based on the per diem allowance rate established through federal guidelines and GSA in the form of a Town check. If Employee opts for the per diem method, the 'Meals & Incidental Breakdown' chart should be included with the approved Expense & Mileage Reimbursement Form. The Per Diem Allowance rate includes breakfast, lunch, dinner and incidental expenses. Funds can be also be requested in advance of travel.
       - If a travel advance at the per diem rate is requested, it must be done through the normal accounts payable process and on a regularly scheduled check cycle.

        - If a travel advance at the per diem rate was provided to employee, Town issued credit card should not be used for meal expenses.
        - If actual costs are more than the per diem amount, the employee is responsible for the additional amount. If actual costs are less than the per diem amount, the employee may keep the balance.
        - No receipts are required when using per diem.
    - Incidental Per Diem: The GSA incidental per diem rate is allowed for travel requiring an overnight stay for tips and other miscellaneous incidentals.
    - Per Diem Rates: Per Diem rates should be determined by going to the following links and entering in the appropriate information. See Instructions tab on Expense & Mileage Reimbursement form for instructions and example.
        - Per Diem Rates Look-Up: https://www.gsa.gov/travel/plan-book/per-diem-rates/per-diem-rates-lookup
        - Meals and Incidental Expense (M&IE) Breakdown: http://www.gsa.gov/portal/content/101518
        - If travel days are less than a full day, the per diem for those days is pro-rated according to the GSA M&IE Breakdown chart.
        - The conference or travel-related event may provide some or all of the meals. When this occurs, the employee must not seek travel advance or reimbursement for this meal regardless of whether using the Per Diem or Actual costs method. The choice to eat on your own when a meal is provided by the conference or event is not an allowable expense. Dietary needs of the Employee may be considered as it relates to conference offered meals.

POLICY REVIEW

The Finance Department will review the travel expenditures periodically to ensure that the Town is adhering to the framework outlined in this policy. Furthermore, the Finance Committee and the Finance Director will be responsible for reviewing the Travel Policy every two years. Adoption and modifications to this policy will require the approval of a simple majority vote by the entire Town Board.

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Bobbi Sindelar, Mayor

____
Attest: Jessica Koenig, CMC, Town Clerk

FIRESTONE
COLORADO

MEMORANDIUM OF RECOMMENDATION

TO: Board of Trustees

FROM: Finance Committee

CC:

DATE: January 27, 2021

RE: Travel Policy

The proposed Travel Policy has been reviewed by the Finance Committee at the January 27, 2021 meeting. With a vote of ___ for and ___ against, the Finance Committee of the Town of Firestone recommends the approval of the Travel Policy.

FINANCE COMMITTEE

____

Frank A. Jimenez, Chair

ATTEST:

____

Jessica Koenig, Secretary

BOARD OF TRUSTEES ADOPTED POLICY
TOWN OF FIRESTONE

SUBJECT: Debt Management Policy

ISSUE DATE	**EFFECTIVE DATE**
February 10, 2021	**February 10, 2021**

INTENT

The Town of Firestone (Town) recognizes the importance of long-range, financial planning in order to meet its capital asset needs. The following debt management policy provides guidance on the issuance of debt and other financing instruments to help ensure that the Town maintains a sound debt position and that its credit quality is safeguarded. As such, the policy allows for an appropriate balance between establishing debt parameters while also providing flexibility to respond to unforeseen circumstances and new opportunities. This policy applies to Town derived revenues and revenues the Town is entitled to receive. Debt related to the Town's enterprise activities or related URA project areas are not considered part of this policy.

POLICY

The Town has established the following fiscal policy related to debt management.

Development of Long-Term, Financing Recommendations

The primary responsibility for developing long-term, financing recommendations rests with the Town Manager. During the annual budget process, and at any other such times during the year in which the need may arise, the Town Manager will work collectively with the ~~Town's Controller~~ Finance Director and other deemed necessary Town staff (the Internal Working Group) to determine if there is a need for long-term borrowing consideration. As part of the determination process, the Internal Working Group shall review the financing needs outlined by the Capital Improvement Plan (see below) to analyze the future capital financing needs as compared with the Town's currently available cash resources and projected revenues. The Internal Working Group will also provide recommendations regarding refunding and restructuring of existing debt.

~~Once determination is made by the Internal Working Group to pursue long-term financing, a refunding, or restructuring of debt, the Town Manager will prepare and present to the Town Board a resolution of intent to issue debt and authorization of Town staff to proceed with the necessary preparations. The Town may only issue debt upon the approval of a simple majority vote by the entire Town Board.~~

Capital Improvement Plan

On an annual basis and as part of the Town's budgeting process, the Town will prepare and/or update a five (5) year Capital Improvement Plan (CIP) identifying capital projects that are part of the Town's long-term strategic vision and economic development plan. Concurrent with the preparation of the CIP, Town staff will consider the associated, estimated ongoing operations and maintenance costs of such capital assets so that the total costs of the projects are included for budgeting and projection purposes.

Purpose of Debt

Incurrence of long-term debt will only be used for the purpose of financing capital assets, which include but are not limited to buildings, infrastructure, land acquisition and purchase of equipment. The Town, under no circumstances, will issue debt or borrow funds to finance the Town's on-going costs for operations and services.

The Town will strive to balance the ~~maximize~~ the pay-as-you-go approach and incur debt ~~approach~~ for its capital projects expenditures (see the ~~Capital Planning and~~Working Reserve~~s~~ Policy). Debt financing will be considered when annual revenues and accumulation of capital cash reserves are not sufficient to provide the necessary funding for such projects within a timeframe deemed necessary or adequate by the Town Board.

Types of Debt and Other Financing Instruments

The general types of debt and other financing instruments to be used by the Town will include:

- General Obligation Bonds
- Revenue Bonds
- Short-term Notes
- Special or Local Improvement Bonds
- Annually appropriated leases and Certificates of Participation
- Any other legally recognized security approved by the Town Board and deemed advantageous to the Town

In order to mitigate any uncertainty of annual debt payment amounts due, the Town will strive to secure a fixed rate structure when issuing debt. The Town will consider a variable rate structure when market conditions favor this type of issuance, and when feasible, ensure there is a maximum interest rate provided within the variable rate structure. Credit enhancements will be used only in instances where the anticipated present value savings in terms of reduced interest expense exceeds the cost of the credit enhancement.

Level of Debt and Restrictive Provisions

The Town will strive to limit its general obligation debt (i.e., where ad valorem property taxes are the main and underlying security pledged on the debt) so as not to exceed fifteen percent (15%) of the Town's total assessed valuation as shown by the most current assessment received from Weld County's Assessor's Office. Additionally, the Town will strive to maintain its annual general obligation debt service costs (principal and interest) for its governmental activities at a level of no greater than fifteen percent (15%) of the Town's governmental expenditures. Any debt issued by the Town, other ~~then~~than general obligation debt, wherein other revenue sources serve as security on the debt (e.g., revenue bonds), will not have any specific debt level restrictions, provided that each of such issuances will be evaluated on a case by case bases, to ensure that the Town has adequately provided for conservative revenue projections as to debt repayment purposes.

The repayment terms of all debt issued by the Town will not exceed the useful life of the capital asset financed. Additionally, the Town will seek level or declining debt repayment schedules and will not issue debt that provides for a balloon principal payment reserved at the end of the term of the issue, unless deemed otherwise appropriate and necessary by the Town. Furthermore, the Town will strive to obtain redemption terms that allow for the pre-payment of debt without paying a redemption penalty.

Debt Issuance Practices

As part of its debt issuance process, the Town will manage its debt and sustain its financial position in order to secure and maintain an A/A2 or higher bond rating.

The Town will market its debt through the use of a competitive bid process when issuing general obligation debt. The competitive bid process will also be used for other debt issuances unless time, interest rates and/or other factors make it more favorable for the Town to use a negotiated process.

If needed, the Town will hire an independent financial advisor, and any other professional service provider (e.g. bond counsel), to assist in the structuring of the debt transaction and to provide overall guidance throughout the process.

Debt may be privately placed with an accredited investor or financial institution if the Town deems it to be in the best interest of the Town.

Guidelines for Refunding

The Town shall consider refunding (advance and current refunding) outstanding debt whenever an analysis indicates the potential for net present value (NPV) savings of at least three percent (~~3~~5%) can be achieved. The Town shall also consider restructuring its existing debt in order to extend the payment terms to meet cash flow needs if deemed beneficial to the Town's long-term financial and strategic planning. The Town may also consider refunding outstanding bonds to remove existing restrictive covenants.

Post Issuance Management

The Town will invest its debt proceeds in accordance with the Town's investment policy and statutory requirements. Funds will be invested in instruments and with related maturities that will provide the liquidity needed to meet the cash flow needs of each project. In this regard, the ~~Town~~ Finance Director ~~Controller~~ will prepare cash flow projection to determine the availability of funds to be invested and their respective required maturities.

The Town will comply with all arbitrage rebate requirements as established by the Internal Revenue Service. Arbitrage will be calculated at the end of each fiscal year and interest earned on the investment of debt proceeds will be reserved to pay any penalties due. Secondary market disclosures requirements established within the terms of the debt transaction will be adhered to and filed on a timely basis.

The ~~Town Controller~~ Finance Director will be responsible for managing the post issuance requirements listed above and/or cause any post issuance requirements to be completed.

Policy Review

The ~~Town Manager and the Town Controller~~ Finance Director will review the Debt Management Policy annually in connection with the preparation of the Town's annual budget process to ensure that the Town is adhering to the framework outlined in this policy. Furthermore, the Finance Committee and the Finance Director will be responsible for reviewing the Debt Management Policy every two years. ~~and will make recommendations to revisefor revisions to the policy as neededdeemed appropriate.~~ Adoption and ~~changes~~ modifications to this policy will require the approval of a simple majority vote by the entire Town Board.

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Bobbi Sindelar, Mayor

____
Attest: Jessica Koenig, CMC, Town Clerk

FIRESTONE
COLORADO

MEMORANDIUM OF RECOMMENDATION

TO: Board of Trustees

FROM: Finance Committee

CC:

DATE: January 27, 2021

RE: Debt Management Policy

The Debt Management Policy proposed revisions have been reviewed by the Finance Committee at the January 27, 2021 meeting. With a vote of ___ for and ___ against, the Finance Committee of the Town of Firestone recommends the approval of the Debt Management Policy.

FINANCE COMMITTEE

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Frank A. Jimenez, Chair

ATTEST:

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Jessica Koenig, Secretary

BOARD OF TRUSTEES ADOPTED POLICY
TOWN OF FIRESTONE

SUBJECT: Working Reserve Policy

ISSUE DATE	**EFFECTIVE DATE**
February 10, 2021	**February 10, 2021**

INTENT

The Town of Firestone ~~(Town)~~ Board of Trustees (Board) has determined it to be prudent financial practice to maintain adequate levels of working reserve in the Town's General Fund in order to mitigate current and future risks such as revenue shortfalls and unanticipated expenditures as well as to ~~ensure stable tax rates~~buffer the Town from downturns in the economy and to provide an additional source of accumulated funding for major capital improvement projects. The Town believes that establishing and maintaining adequate working reserve levels will assist the Town in taking greater advantage of the "pay as you go" philosophy and ~~are~~is a critical consideration to the ~~Town' s~~Town's long-term financial planning.

POLICY

The Town has established the following fiscal policy related to its working reserve.

Minimum, Maximum and Target Levels

The Town will maintain a minimum working reserve of at least 25% of the current year's General Fund operating ~~expenditures~~appropriations. The Town's maximum working reserve shall not exceed 1~~1~~00% of the General Fund budgeted operating ~~expenditures~~appropriations. In the event the Town has excess funds of over the 1~~1~~00% maximum amount, the Town will reserve such excess funds for future capital projects or for such other purposes as ~~are~~ designated by the Board. ~~Not precluding the aforementioned minimum and maximum percentages, the Town will annually target to achieve and maintain a 50% working reserve as part of its annual budget process.~~ The working reserve levels will be determined by the Board annually ~~with each~~during the budget process. ~~Nothing in this policy will preclude the Board from lowering its working reserve level in a future budget year to the minimum level established in this policy.~~

Use of Funds

The Town understands that circumstances may arise that may warrant the Town using its working reserve temporarily. The Town has determined the following circumstances to be permissible instances where it may elect to use its working ~~reserve~~ reserve~~for funds up to the minimum 25%~~

~~working reserve level~~:

- An economic downturn in which revenues are significantly/materially under budget
- Unexpected and unappropriated price increases to service and maintain essential Town operations
- Non-budgeted and unexpected emergencies, natural disaster costs, or litigation
- Early retirement of Town debt or loans
- Grant matching and public/private partnership matching
- Provide coverage to other funds due to a shortfall in budgeted revenues
- Capital asset acquisition, construction and improvement projects

~~Any working reserve funds above the minimum 25% working reserve level may be used by the Board for the above purposes or any other purpose , as deemed appropriate by the Board.~~ The use of the working reserve in a given budget year will require approval by a simple majority vote by the entire ~~Town Board~~Board.

Terms for Replenishment

In the event the Town elects to use its working reserve for the aforementioned purposes, the Town will concurrently establish a formal plan to replenish its working reserve to the minimum working reserve level. It will be the policy of the Town to replenish the working reserve to its minimum level as follows:

- As soon as revenues are reasonably available, and
- With priority given to replenishment over any future budgeted, new discretionary spending by the Board (either capital or operational in nature), and
- With replenishment complete no later than 5 years subsequent to the utilization of such funds.

Policy Review

The ~~Town Controller~~Finance Director will be responsible for reviewing the Working Reserve Policy ~~semi~~annually in connection with the Town's annual budgeting process ~~as well as the Town's preparation of year-end financial statements~~ to ensure that the Town is maintaining adequate levels of working reserve funds as set forth in this policy. Furthermore, the Finance Committee and Finance Director will be responsible for reviewing the Working Reserve Policy every two years and will make recommendations for revisions to the policy as deemed appropriate~~Furthermore, the Town Manager, in concert with the Town Controller, will review the policy annually in connection with the Town's annual budgeting process and will make recommendations for revisions to the policy as deemed appropriate~~. Adoption and modifications to this policy will require the approval of a simple majority vote by the entire Town Board.

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Bobbi Sindelar, Mayor

Attest: Jessica Koenig, CMC, Town Clerk

MEMORANDIUM OF RECOMMENDATION

TO: Board of Trustees

FROM: Finance Committee

CC:

DATE: January 27, 2021

RE: Working Reserve Policy

The Working Reserve Policy proposed revisions have been reviewed by the Finance Committee at the January 27, 2021 meeting. With a vote of ___ for and ___ against, the Finance Committee of the Town of Firestone recommends the approval of the Working Reserve Policy.

FINANCE COMMITTEE

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Frank A. Jimenez, Chair

ATTEST:

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Jessica Koenig, Secretary