



FINANCE COMMITTEE

July 11, 2022

6:00 PM

Regular Meeting Agenda

8225 3rd Street
Centennial Conference Room
Wellington, CO 80549

- A. CALL TO ORDER
- B. PUBLIC INVITED TO BE HEARD
- C. ACTION ITEMS /DISCUSSION ITEMS
 - 1. Minutes of the June 27, 2022 Finance Committee meeting
 - Presentation - Patti Garcia, Town Administrator
 - 2. Finance Committee - Draft Bylaws
 - Presentation: Patti Garcia, Town Administrator
 - 3. Department Budgets Over Time
 - Presentation: Vik Runkle, Finance Consultant
- D. REPORTS
- E. ADJOURN

The Town of Wellington will make reasonable accommodations for access to Town services, programs, and activities and special communication arrangements. Individuals needing special accommodation may request assistance by contacting at Town Hall or at 970-568-3380 ext. 110 at least 24 hours in advance.



Finance Committee Meeting

Date: July 11, 2022
Subject: Minutes of the June 27, 2022 Finance Committee meeting

- Presentation - Patti Garcia, Town Administrator

BACKGROUND / DISCUSSION

STAFF RECOMMENDATION

ATTACHMENTS

1. June 27 2022 Finance Committee Minutes_DRAFT



FINANCE COMMITTEE
MINUTES
June 27, 2022
6:00 PM

1. CALL TO ORDER

The meeting was called to order at 6:02 pm.
Members introduced themselves in place of roll call:

Pat Johnson
Sara Knaack
Nic Redavid
Jesy Andreen
Jason Mellin
Christine Gaiter

Dominic Baranyi was absent

Others in attendance:

Jon Gaiter, Trustee Liaison
Patti Garcia, Town Administrator
Charity Campfield, Finance Director
Vik Runkle, Finance Consultant

2. PUBLIC INVITED TO BE HEARD

Public comment was opened to which there was none.

3. ACTION ITEMS /DISCUSSION ITEMS

a. Foundational Responsibilities

Town Administrator Garcia reported the need to create bylaws for the Committee. Committee members discussed what should be included in the bylaws such as rules of order, quorum requirements, reporting to the Board of Trustees and attendance policy. A draft will be sent out to the Committee members to edit along with examples of bylaws from other municipalities with either a Finance Committee or Budget Committee for their use.

The Committee elected members to serve as Chair, Vice Chair and Secretary.

Member Redavid moved to appoint Member Gaiter as Chair; Member Johnson seconded. Motion passed unanimously.

Chair Gaiter moved to appoint Member Redavid as Vice Chair; Member Mellin seconded. Motion passed unanimously.

Chair Gaiter moved to appoint Member Johnson as Secretary; Member Knaack seconded. Motion passed unanimously.

b. Budget and Accounting Cycle

Ms. Garcia reviewed the budget calendar that was included in the Committee packet. Committee members recommended that there be a representative to attend the Trustee budget meetings and to help plan the Budget Boo-nanza.

- c. Color of Money
Ms. Runkle went through the power point included in the Committee packet. Topics brought forward included the various funds (General Fund, Special Revenue Funds, Enterprise Funds, Capital Funds and Trust Funds) and the 2022 budget summaries of the funds.
- d. Property Tax and Local Government
A video was embedded in the Committee packet on this topic.
- e. Sales Tax Collection and Budget Impacts
A video was embedded in the Committee packet on this topic.

4. REPORTS
There were no reports.

5. ADJOURN
Vice Chair Redavid moved to adjourn the meeting; Chair Gaiter seconded. Motion passed unanimously.

The meeting was adjourned at 8:10 pm.

Patti Garcia, Town Administrator



Finance Committee Meeting

Date: July 11, 2022
Subject: Finance Committee - Draft Bylaws

- **Presentation: Patti Garcia, Town Administrator**

BACKGROUND / DISCUSSION

Bylaws are the general rules and operating procedures for a committee. General topics that should be covered in bylaws include the purpose of the committee, member requirements, the rules and procedures for meetings, election of officers and the duties of the officers. A link to the draft bylaws was sent out to the Finance Committee members on Thursday afternoon; the document is a Google doc so all members can provide their suggested edits. Although the original draft that was created by staff has been included in the packet for reference, it is anticipated that the latest version of the working document will be the one that will be discussed at the meeting on July 11.

Please review and provide your comments either directly to me or edit the document through the link provided by email no later than 3 pm on Monday, July 11, 2022.

STAFF RECOMMENDATION

ATTACHMENTS

1. DRAFT_Finance Committee bylaws

Wellington Finance Committee

Bylaws – Adopted 0/00/2022

Purpose - Ordinance 10-2022; Section 2-16-10

The Finance Committee Advisory Board shall serve in an advisory capacity to the Board of Trustees on matters concerning the Town's finances.

1. Duties of Finance Committee - Ordinance 10-2022; Section 2-16-10(a)-(f)
 - a) To review the Town's annual draft budget to obtain understanding of the Town's financial position as well as budgeting priorities and initiatives determined by the Board of Trustees.
 - b) To make recommendations to the Board of Trustees concerning Town finances, annual budget and long-range financial planning to address the needs of the Town.
 - c) To monitor all required annual, quarterly, and monthly financial reporting to lenders, creditors, and other financial institutions affiliated with the Town.
 - d) To review Town revenues and actual expenses on a monthly basis.
 - e) To review reports generated by outside consultants for matters having a financial impact such as utility rate studies, long term financial planning and potential contracts for banking or financial services.
 - f) To provide independent review of the Town's financial reporting processes, internal controls and independent auditors.
2. Elections
 - a. Election of Chair, Vice-chair and Secretary shall be carried out by a process of nomination and approval by a majority of members present at the first meeting of the Finance Committee in June of each year. Should any officer resign or be unable to carry out his/her duties, an election shall be held at the next scheduled meeting for purposes of filling the vacancy. If the position of Chair is vacant, the Vice-Chair will be the temporary Chair until an election for Chair can be held.
3. Rules of Order
 - a. The Committee shall conduct and discuss business in a relaxed, respectful, and open manner but shall employ a formal procedure for decision making to best memorialize the Committee's actions.
OR
 - a. Meetings shall be conducted in accordance with Robert's Rules of Order except that the presiding officer may, at his or her discretion, dispense with such rules to facilitate the ordering a timely conduct of Committee business.
 - b. The Committee is subject to and must comply with the provisions of the Colorado Open Meetings Law (CRS 24-6-401). The records and documents associated with the Committee and their members are generally subject to the Colorado Open Records Act. Electronic communication, including email and discussion on social media platforms, is subject to the Colorado Open Meetings Law. All communications of Committee business by three or more members of the Committee, shall be held within the confines of a properly noticed meeting.
4. Duties and Powers of Officers
 - a. Chair

- The Chair will preside at all meetings of the Committee, call special meetings in accordance with the bylaws, sign official documents of the Committee.
 - The Chair is to clarify and restate motions prior to vote.
 - The Chair will render direction and decision on procedure unless direction or decision is opposed by majority of the Committee.
- b. Vice Chair
- During the absence of the Chair, the Vice Chair will perform all duties and be subject to all responsibilities of the Chair.
- c. Secretary
- Maintain minutes of the Committee meetings.
5. Quorum – Ordinance No. 10-2022; Section 2-16-40(c)
- a. Four members shall constitute a quorum. A quorum is required for any items to be put to a vote a regular meeting.
6. Schedule of meetings
- a. The schedule for meetings shall be established and approved by the Committee in consultation with Town staff annually in June of each year. Meetings shall be held monthly unless there is no business for consideration.
7. Reports to Board of Trustees
- a. The Chair shall present Committee reports to the Board of Trustees. The Chair may elect to request the assistance of other Committee members and Town staff in preparing and delivering the reports.
8. Attendance policy
- a. In the event any member of the Committee is absent from three consecutive regular meetings, the Committee by majority vote may recommend to the Board of Trustees that his or her position be declared vacant and recommend that the Board of Trustees appoint a successor for the unexpired term.
9. Committee members who have personal or private financial interest in a matter before the Committee shall disclose such interest to the Committee, shall not vote on the matter, and shall not attempt to influence the decision of the Committee members.
10. All meetings of the Committee shall be open to the public as required by the Colorado Open Meetings Law. Notice of the meeting shall be posted at least 24 hours in advance of the meeting on the Town of Wellington website. Committee members are required to provide to the Finance Director a request for a remote meeting option at least 24 (or 48?) hours in advance of the scheduled meeting.



Finance Committee Meeting

Date: July 11, 2022
Subject: Department Budgets Over Time

- **Presentation: Vik Runkle, Finance Consultant**

BACKGROUND / DISCUSSION

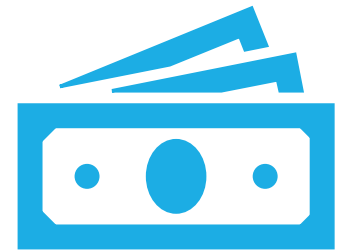
There is a lot of information included in this presentation. The Water and Wastewater Funds will be added on Monday.

STAFF RECOMMENDATION

ATTACHMENTS

1. Dept Budgets Over Time

DEPARTMENT BUDGETS OVER TIME



OVERVIEW

The goal is to build both revenues and expenditures by Fund and then department

Because of staffing changes, the revenues, while in the bank, have not been allocated to each Fund. We expect to have that by July 25

Once we have that, the “profit and loss” – in government known as Revenue and Expenditures and Use or Gain to Fund Balance can be provided

Tonight, we illustrate the *unaudited 2021* expenditures against 2020 Actuals and 2021 and 2022 Budget. This was developed so that we can simply add the 2023 budget requests in the graphs and tables, with workload indicators for the 2023 budget presentation in August

This is significant information. Some people want the detail; others want the graphic trends. Please let us know if this is “close” to information you can use

GENERAL FUND EXPENDITURES OVER TIME

2021 Expenditure Snapshot: On the expenditure side, the Town has spent (unaudited) \$942,193 less than budgeted.

Municipalities had approximately 10% savings when discussing this with our peers and others. This is primarily due to staff attrition which also translates into less general spending.

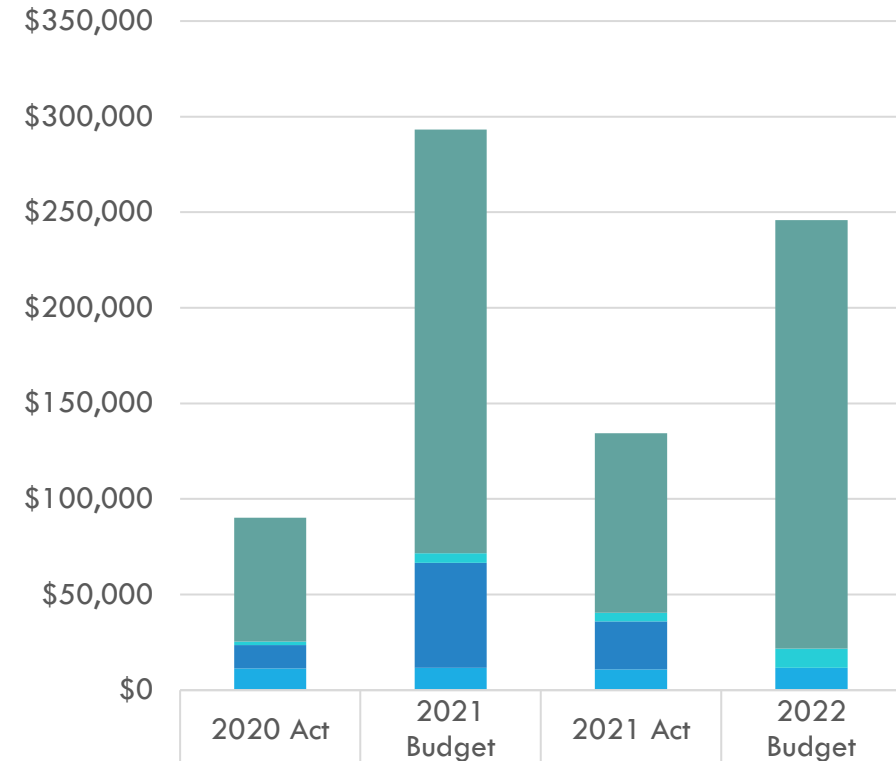
Also, the Town of Wellington has nearly \$100,000 in budgetary under expenditures in reimbursable expenses in Planning and Public Works.

	2021 Budget	2021 Actual	Difference
Operating Expenditures	\$7,147,563	\$6,205,370	\$942,193
Capital Transfers	\$1,952,178	1,952,178	-0-
Total Expenditures	\$9,099,714	\$8,157,548	\$942,193

LEGISLATIVE

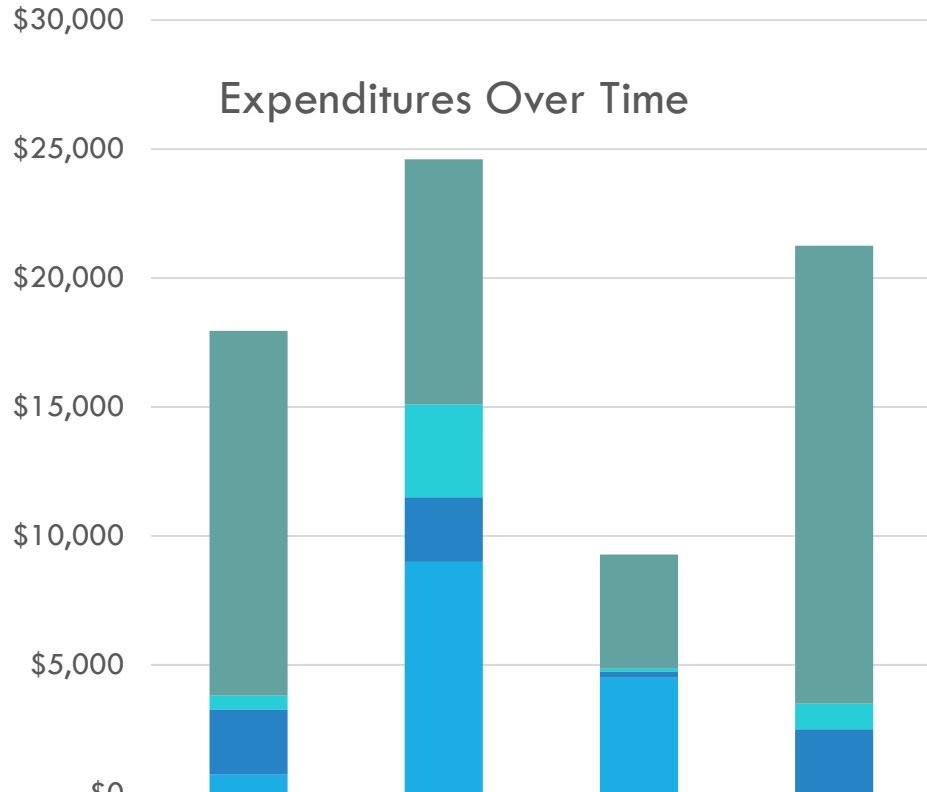
- The major differences between 2021 budget and 2021 actuals
 - Legal services were not spent in Legislative: \$35,000
 - Professional Development: \$5,400 under budget
 - Election Expenses: \$25,000 on a budget of \$55,000
- It is common for the 2022 Budget to be considerably higher than actuals
- In 2022 election expenses were moved from Board of Trustees to Clerk budget
- CAC Expenditures increased to \$35,410 in 2021 and 2022
- The Board's Outreach and Discretionary accounts in 2022 total \$169,000. In 2021 the actual expenditures were \$84,000

Expenditures Over Time



	2020 Act	2021 Budget	2021 Act	2022 Budget
Contracted Services and Other	\$64,812	\$221,610	\$94,007	\$224,160
Professional Development	\$1,753	\$5,000	\$4,561	\$10,000
Election Costs	\$12,238	\$55,000	\$24,994	\$0
Compensation	\$11,335	\$11,659	\$10,903	\$11,659

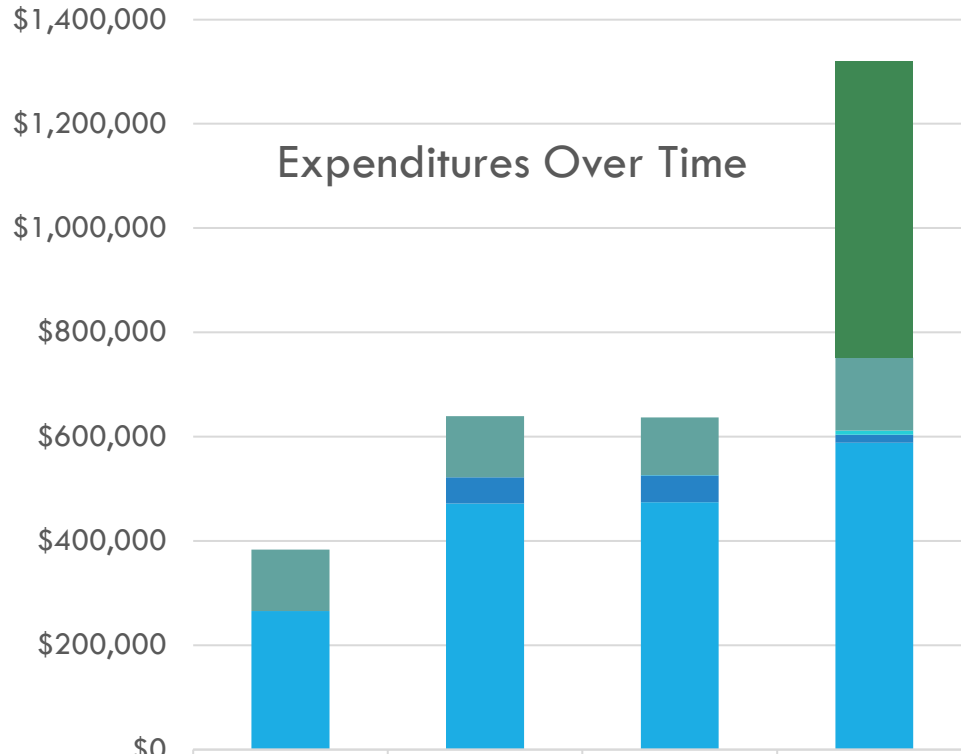
JUDICIAL



	2020 Act	2021 Budget	2021 Act	2022 Budget
Contracted Services and Other	\$14,148	\$9,500	\$4,425	\$17,750
Pro Development	\$531	\$3,600	\$124	\$1,000
O&M	\$2,539	\$2,500	\$232	\$2,500
Compensation	\$739	\$9,000	\$4,500	\$0

- No permanent employees in the department
- Department contracts for the following duties:
 - Magistrate
 - Prosecuting attorney
 - Court Appointed Counsel
- Court also pays for translator costs, when required
- In 2021 there were a total of 28 court cases.

ADMINISTRATION



	2020 Act	2021 Budget	2021 Act	2022 Budget
Grants	\$0		\$0	\$569,627
Contracted Services and Other	\$117,726	\$117,600	\$110,365	\$140,000
Pro Development	\$0	\$0	\$716	\$8,000
O&M	\$0	\$50,000	\$51,631	\$15,300
Compensation	\$265,453	\$471,970	\$474,389	\$588,291

Five people in the Department

- Town Administrator
- Deputy Administrator
- Community Business Liaison
- Management Analyst
- Marketing & Communication Specialist

The 2022 budget includes \$569,627 in Main Street Grants

Senior Van was moved into this budget, \$6,000 in 2022 budget

Legal Services in 2022 is paid in this department for \$100,000. In 2021 the expenditure was \$85,000

This department manages issues throughout the organization

Some work highlights:

- 11 businesses helped with the Main Street Grant
- Over 10,000 visitors at 4th of July event
- 2022 YTD Website visits: 266,539 with Accessibility changes
- Ten grants are under management

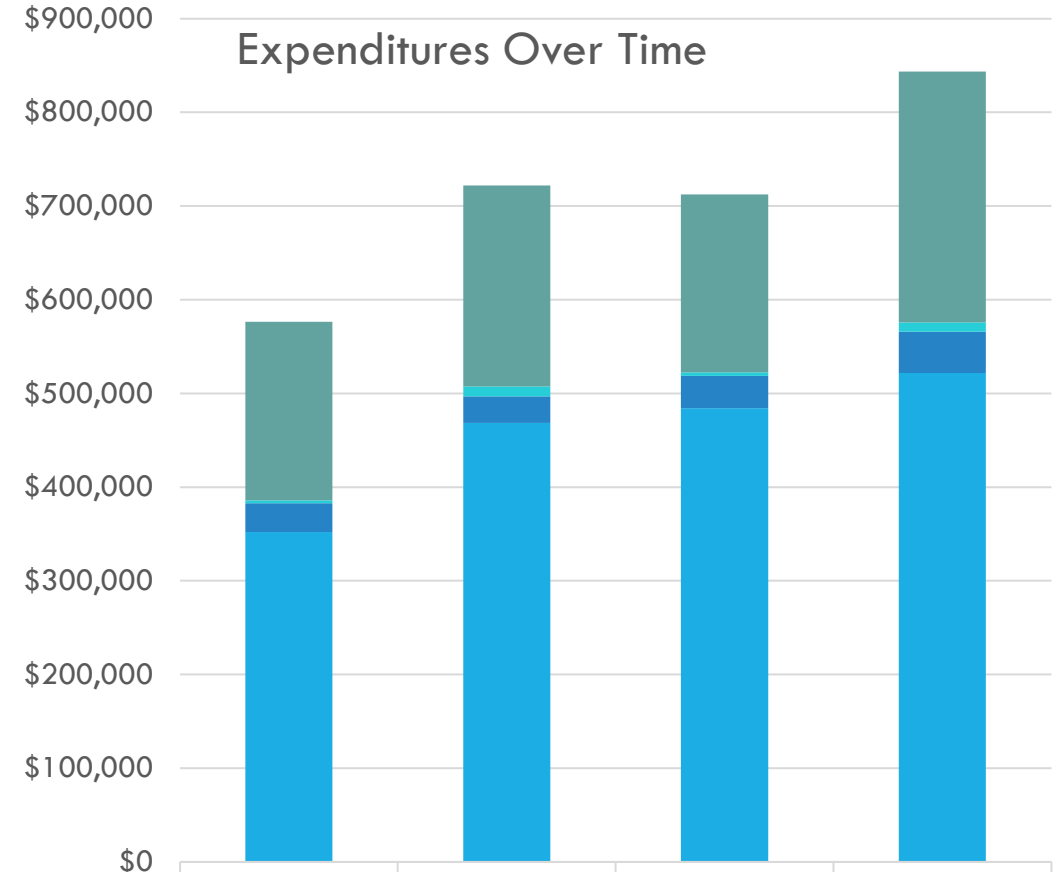
FINANCE

Five people in the Department

- Director
- Accounting
- Payroll
- Accounts Payables
- Utility Billing

Activities:

- Paid 9% more invoices in 2021 over 2020 (2,110 vs 2,299) for a total
- Paid \$10.2 million to vendors in 2021 and \$18.3 million in 2022
- In 2021 prepared 1,560 payroll checks
- UB: Annually invoice approximately 43,000 accounts
- This department pays Insurance and bonds for the organization, increasing from \$122,000 in 2021 to estimated \$160,000 in 2022



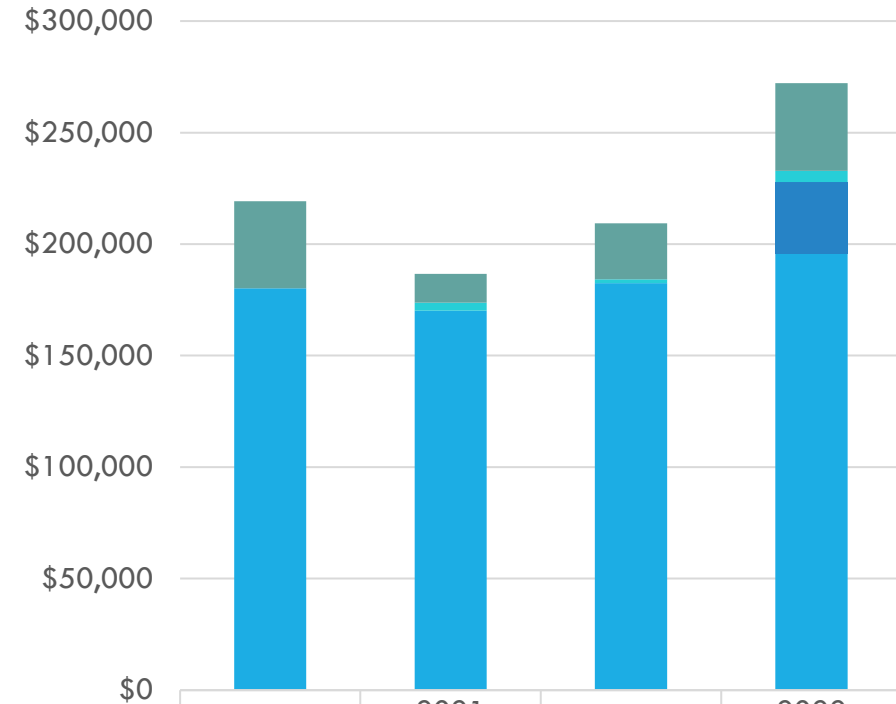
	2020 Act	2021 Budget	2021 Act	2022 Budget
All Other	\$190,823	\$214,400	\$189,969	\$267,650
Pro Development	\$2,783	\$10,500	\$3,743	\$10,000
O&M	\$30,778	\$28,400	\$34,385	\$43,900
Compensation	\$352,142	\$468,443	\$484,251	\$521,874

CLERK

Two people in the Department

- Clerk
- Admin/Court Clerk
- Election Expenses are in this budget in 2022 for \$32,000
- In 2021 Processed
 - 15 Ordinances
 - 33 Resolutions

Expenditures Over Time



	2020 Act	2021 Budget	2021 Act	2022 Budget
Contracted Services and Other	\$39,114	\$12,950	\$25,024	\$39,300
Professional Development	\$0	\$3,500	\$1,694	\$5,000
Election Costs	\$0	\$0	\$0	\$32,000
Compensation	\$180,140	\$170,207	\$182,552	\$195,890

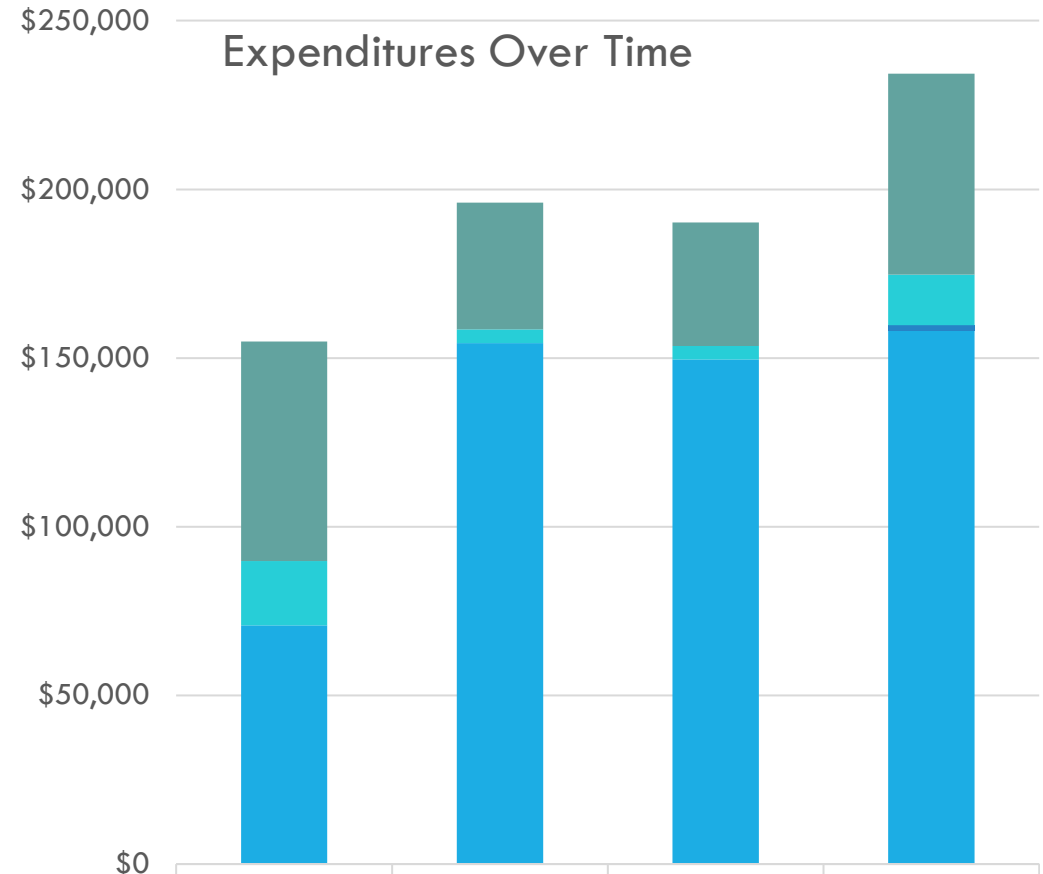
HUMAN RESOURCES

Only 1.5 FTE in this Department

- Director
- .5 Administrative Assistant

Activities:

- This Department pays for types of town-wide employee hiring expenses:
 - Drug testing
 - Wellness Expenses
 - Background checks
 - Advertising
 - Town-wide training



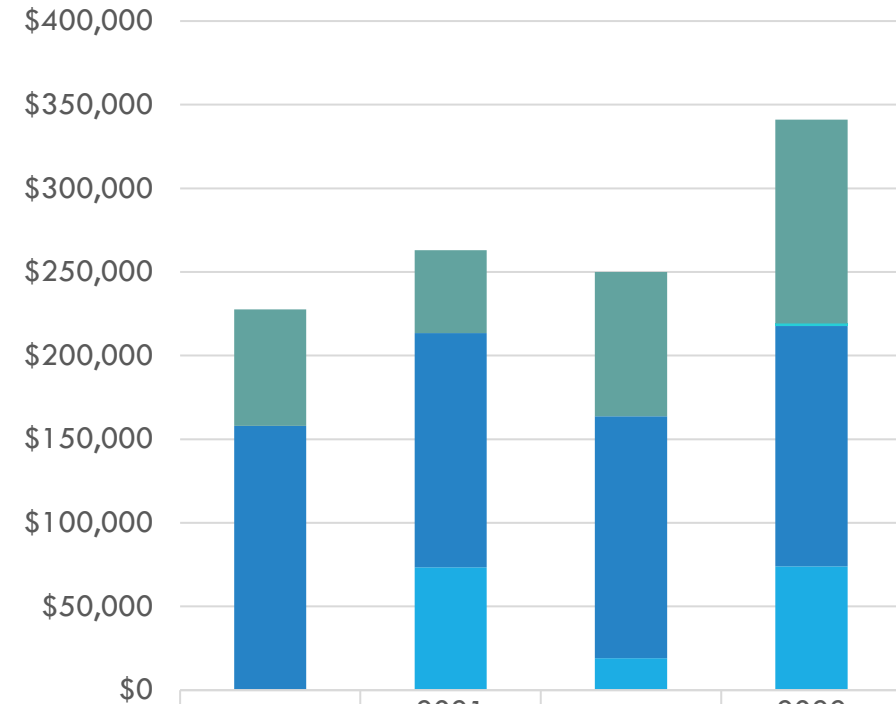
	2020 Act	2021 Budget	2021 Act	2022 Budget
All Other	\$65,000	\$37,600	\$36,584	\$59,600
Prof Development	\$19,076	\$4,000	\$3,955	\$15,000
O&M	\$0	\$0	\$0	\$1,500
Compensation	\$70,770	\$154,460	\$149,619	\$158,222

INFORMATION TECHNOLOGY

One FTE

- IT Technician
- The Town pays third party vendors for many technology services
 - Telephone costs: \$63,000 in 2021 and budgeted at \$54,862
 - Internet services budgeted at \$43,888 in 2022
 - Network Administration support \$6,000 in 2022
- Most software applications now must be paid annually; the Town pays \$143,500 for these town-wide applications in 2022
- The IT position was unfilled for a large portion of 2021

Expenditures Over Time

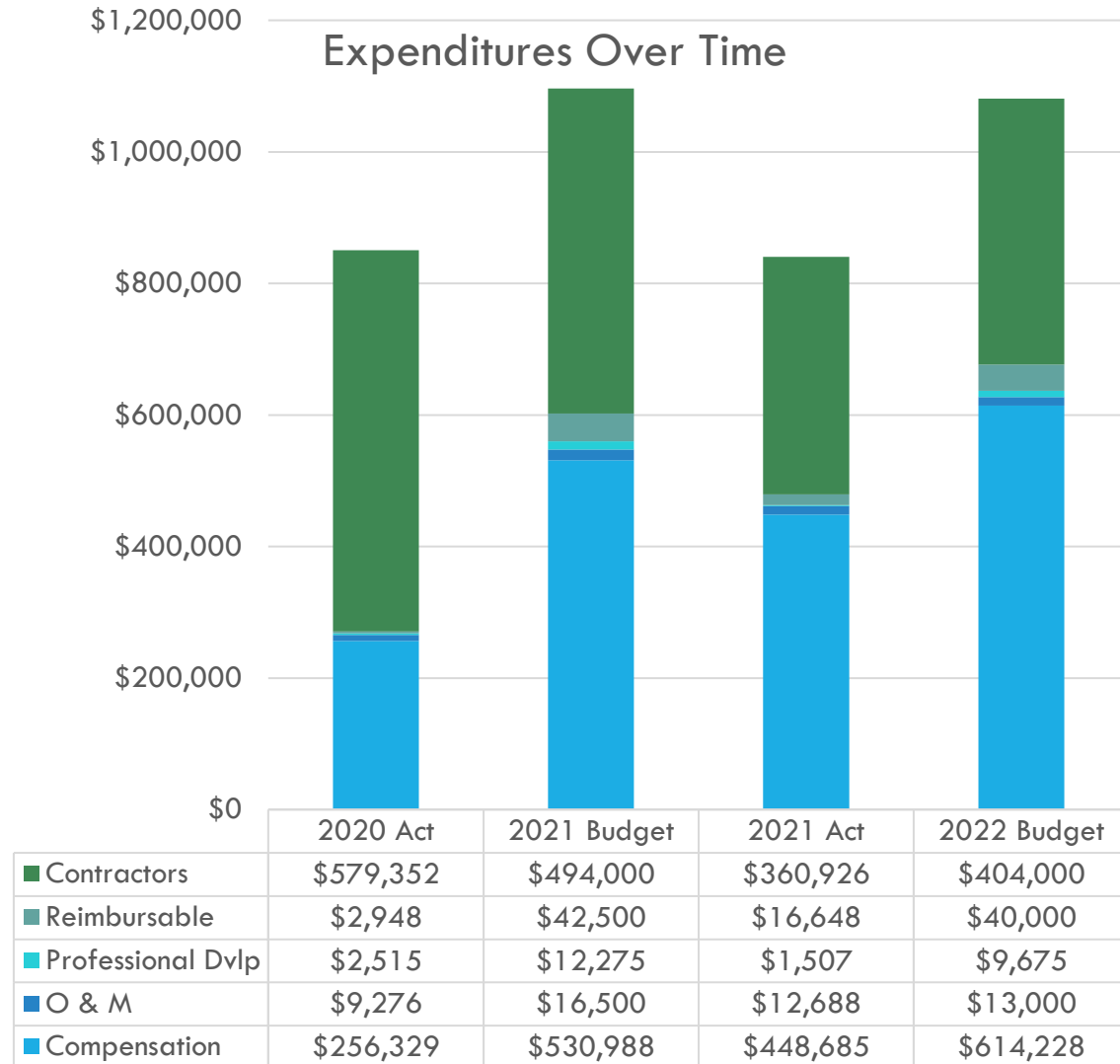


	2020 Act	2021 Budget	2021 Act	2022 Budget
Contracted Services and Other	\$69,761	\$49,600	\$86,316	\$121,798
Professional Development	\$0	\$0	\$0	\$1,500
Software Licenses	\$157,948	\$140,000	\$144,517	\$143,800
Compensation	\$0	\$73,459	\$19,177	\$73,944

PLANNING AND ZONING

Six Positions

- Planning Director
 - Development Coordinator
 - Building Permit Technician
 - Planner II
 - Building Official
 - Neighborhood Service Officer
- The Town pays third party vendor for Building Inspection Services \$350,000 in 2022
 - The Department budgets for reimbursable services. The costs are paid for from developers/builders; in 2022: \$94,000
 - In 2021 a total of \$13,800 was actually spent
 - Department covers cost of Humane Society \$4,000 in 2022



LAW ENFORCEMENT

- The Town pays Larimer County for the services
- Contract comes in early fall

Expenditures Over Time

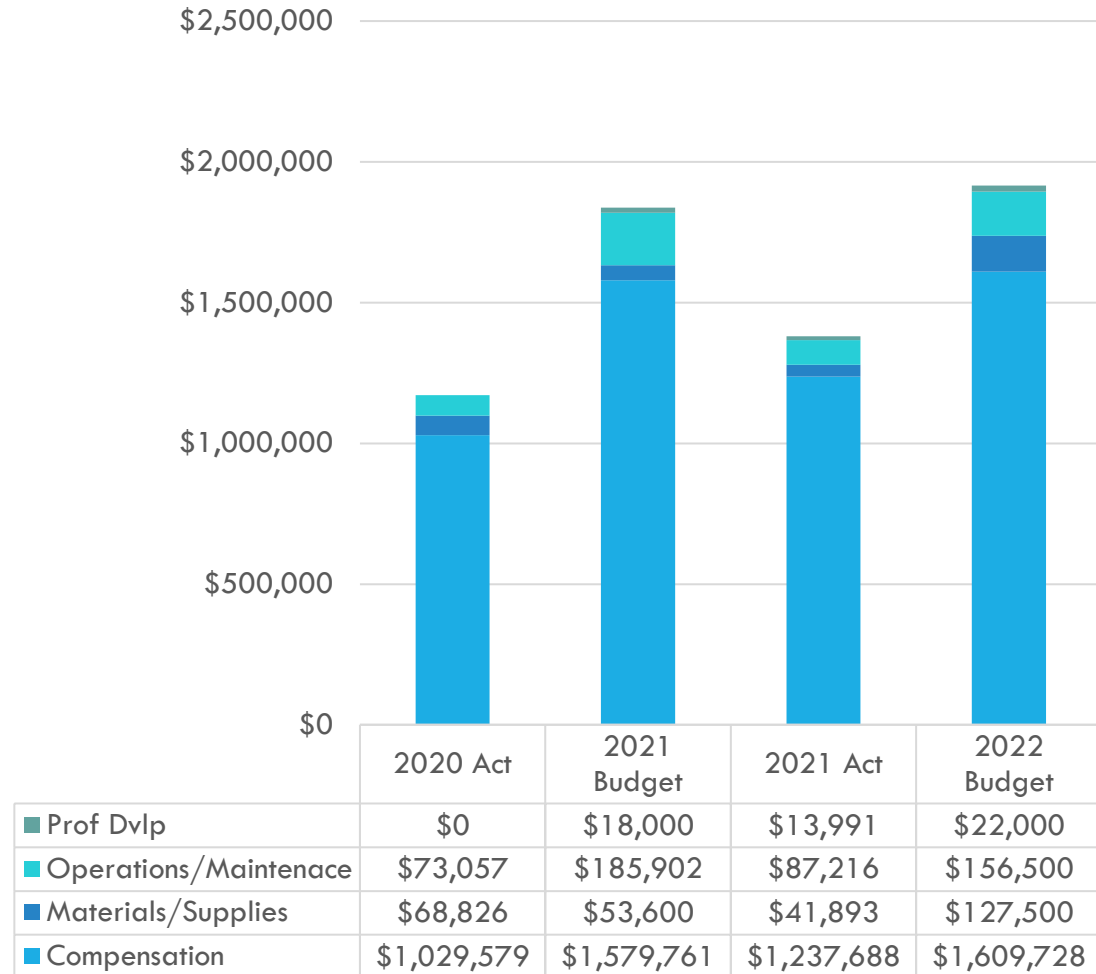


PUBLIC WORKS

16.50 Positions

- Public Works Director
 - Deputy PW Director
 - Executive Assistant
 - Civil Engineer II (2)
 - Civil Engineer III
 - PW Superintendent
 - Fleet Mechanic
 - Fleet and Maintenance Coordinator (0.50)
 - Street Maintenance Operator I
 - Street Maintenance Operator II (3)
 - Street Maintenance Operator III
 - Lead D/C Operator
 - D/C Operator I
 - D/C Operator II
- This will change as the Overhead/Indirect Fee methodology is realigned
 - Equipment Parts significantly higher in 2022
 - Fuel was budgeted at \$18,000 in 2022 and \$8,500 in 2021

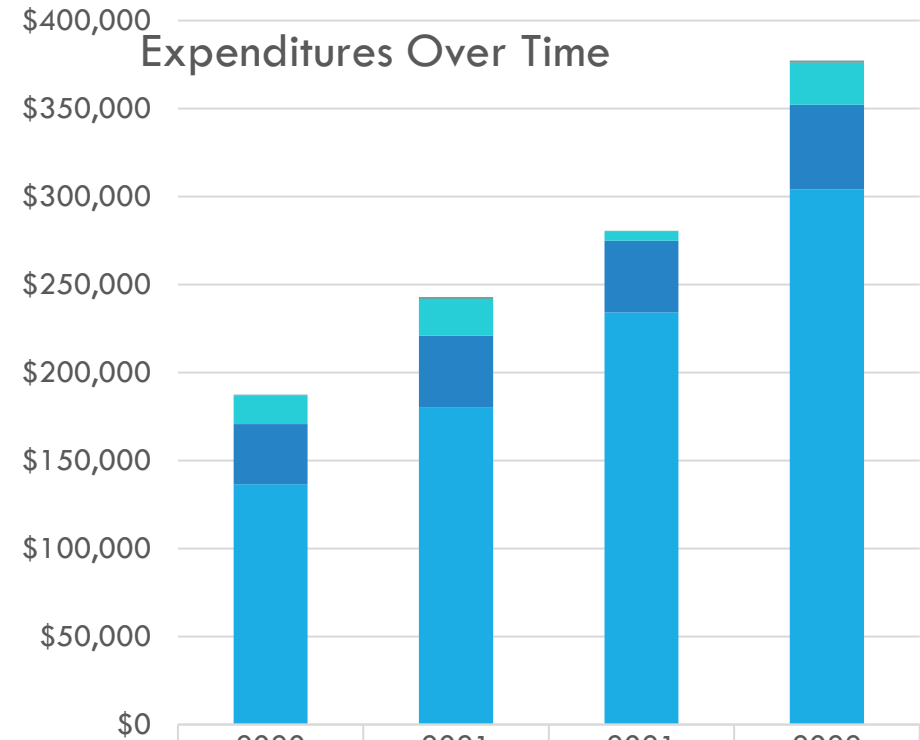
Expenditures Over Time



LIBRARY

5 Positions

- Library Manager
 - Assist Library Media Manager
 - Assistant Manager Youth Services (0.75)
 - Library Clerk I (2.25)
- This will change as the Overhead/Indirect Fee methodology is realigned
 - Equipment Parts significantly higher in 2022
 - Fuel was budgeted at \$18,000 in 2022 and \$8,500 in 2021



	2020 Act	2021 Budget	2021 Act	2022 Budget
Prof Dvlp	\$431	\$1,250	\$260	\$1,250
Operations/Maintenance	\$16,262	\$20,835	\$5,451	\$23,835
Materials/Supplies	\$34,283	\$40,550	\$40,667	\$48,200
Compensation	\$136,473	\$180,400	\$234,281	\$303,997

STREET FUND EXPENDITURES OVER TIME

Operating expenditures are generally consistent growth

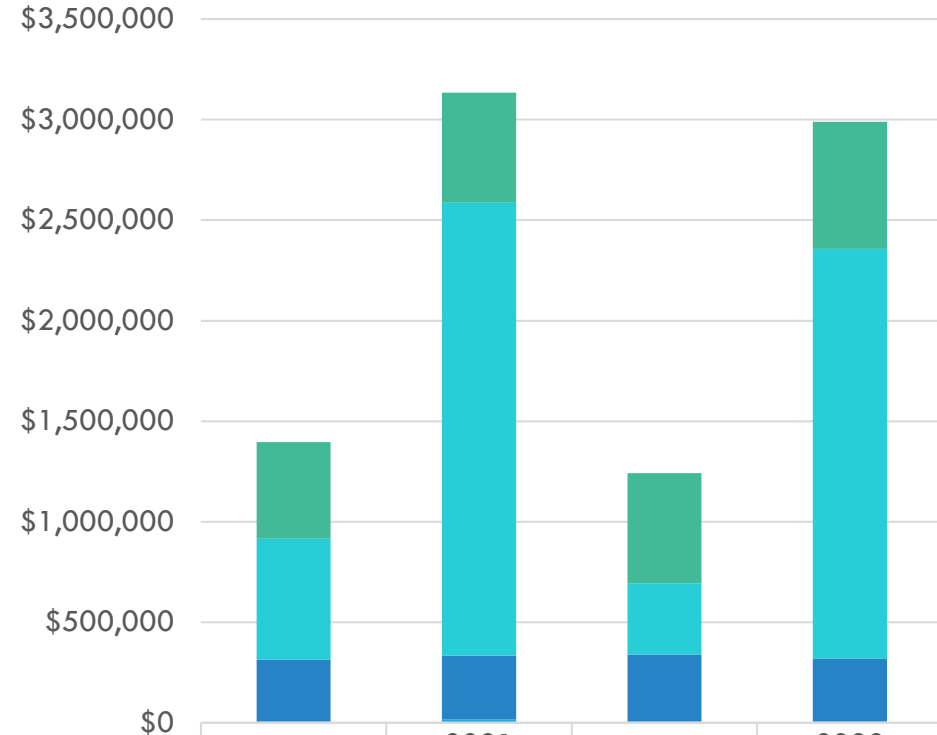
The challenge in the Street and Parks Funds is the transfer to the CIP
Through October, the Streets CIP transfer shown here is an estimate
Working with the Street and the CIP process to understand this issue

	2021 Budget	2021 Actual	Difference
Operating Expenditures	\$335,592	\$340,184	\$(4,592)
Transfer to GF	\$547,077	\$547,077	-0-
Capital Transfers	\$2,251,567	\$355,000*	\$1,896,567
Total Expenditures	\$3,134,236	\$1,242,261	\$1,891,975

STREET FUND

- Again, no personnel expenditures in this Fund
- This will change as the Overhead/Indirect Fee methodology is realigned
- Major 2021 operating expenditures:
 - Electricity: \$182,000; budget \$169,000
 - Road Materials: \$27,000
 - Street Signs and Paint: \$22,000
 - Equip Parts: \$27,000
- Transfer to CIP Fund needs to be reviewed in conjunction with the 2023 Budget

Expenditures Over Time



	2020 Act	2021 Budget	2021 Act	2022 Budget
Transfer to GF	\$480,761	\$547,077	\$547,077	\$631,107
Transfer to CIP	\$600,522	\$2,251,567	\$355,000	\$2,036,991
Operations/Maintenance	\$307,536	\$317,592	\$332,970	\$313,992
Materials/Supplies	\$6,995	\$18,000	\$7,214	\$7,000

PARK FUND EXPENDITURES OVER TIME

There are 7 FTEs

- Parks and Recreation Manger
- Recreation Coordinator
- Assistant Recreation Coordinator (2)
- Park Technician III
- Park Technician II (2)

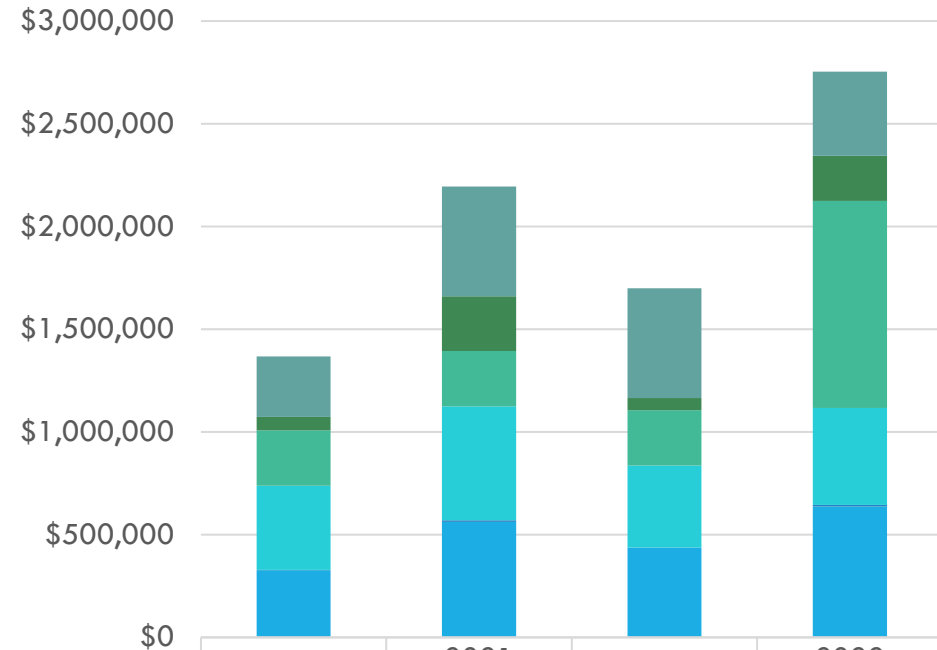
Benefits in Recreation were incorrectly budgeted and caused the expenditures to be higher than budget

	2021 Budget	2021 Actual	Difference
Operating Expenditures	\$1,125,025	\$1,138,035	\$(13,010)
Transfer to GF	\$534,679	\$534,679	-0-
Capital Transfers	\$266,000	\$57,755	\$208,245
Debt Payments	\$269,400	\$269,400	-0-
Total Expenditures	\$2,195,164	\$1,999,929	\$195,235

PARK FUND

- Again, the CIP needs realigned between 2021 and 2023. This is normal for CIP expenditures
- Overall, the Expenditures were lower than budget

Expenditures Over Time



	2020 Act	2021 Budget	2021 Act	2022 Budget
Transfer to GF	\$294,417	\$534,679	\$534,679	\$409,988
Transfer to CIP	\$65,590	\$266,000	\$57,755	\$219,325
Debt	\$269,460	\$269,460	\$269,460	\$1,007,510
Operations/Maintenance	\$408,685	\$555,463	\$400,132	\$472,270
Materials/Supplies	\$2,841	\$7,000		\$8,200
Compensation	\$326,272	\$562,562	\$436,985	\$636,449

WATER FUND EXPENDITURES OVER TIME

State refinanced 2019 Bonds and there was a lower interest payment

Sludge Removal and Raw Water Leases were significantly lower than budget, \$170,000 and \$839,353, respectively

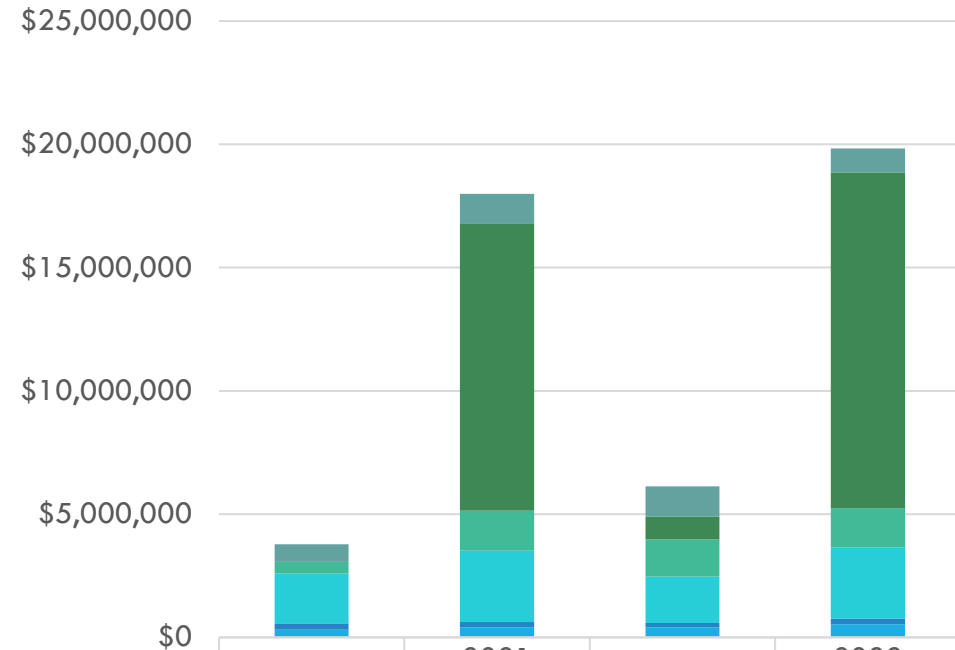
Chemicals, repairs and maintenance costs were over budget \$117,000 combined

	2021 Budget	2021 Actual	Difference
Operating Expenditures	\$3,512,442	\$2,468,852	\$1,044,590
Transfer to GF	\$1,222,301	\$1,222,301	-0-
Capital Transfers	\$11,635,411	\$932,501	\$10,702,909
Debt Payments	\$1,621,453	\$1,497,012	\$124,440
Total Expenditures	\$17,991,607	\$6,120,666	\$11,871,939

WATER FUND

- Again, the CIP needs realigned between 2021 and 2023. This is normal for CIP expenditures
- Discussed the under expenditures on previous slide
- The two major projects create the largest issues over the next two years

Expenditures Over Time



	2020 Act	2021 Budget	2021 Act	2022 Budget
Transfer to GF	\$714,101	\$1,222,301	\$1,222,301	\$974,426
Transfer to CIP	\$0	\$11,635,411	\$932,501	\$13,617,804
Debt	\$464,917	\$1,621,453	\$1,497,012	\$1,588,427
Operations/Maintenance	\$2,059,941	\$2,889,154	\$1,878,567	\$2,889,054
Materials/Supplies	\$232,133	\$220,000	\$192,819	\$229,200
Compensation	\$307,188	\$403,288	\$396,466	\$530,824