



FINANCE COMMITTEE

May 15, 2023

6:00 PM

Regular Meeting Agenda

8225 3rd Street
Centennial Conference Room
Wellington, CO 80549

<https://us06web.zoom.us/j/83212859755?pwd=Yyt2VEg2andPMU45a0IxRlVHL0phZz09>

A. CALL TO ORDER

1. Roll Call

B. ACTION ITEMS /DISCUSSION ITEMS

1. Meeting Minutes from the April 17, 2023 Finance Committee Meeting
2. Presentation of the 2024 budget calendar.
3. Finance Committee Bylaw Review
4. Wellington Marijuana Tax Discussion

C. REPORTS

D. 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: May 15, 2023

Subject: Meeting Minutes from the April 17, 2023 Finance Committee Meeting

BACKGROUND / DISCUSSION

Meeting Minutes from the April 17, 2023 Finance Committee Meeting.

STAFF RECOMMENDATION

Approve

ATTACHMENTS

1. 04-17-2023 Minutes

FINANCE COMMITTEE
MINUTES
April 17, 2023

A. CALL TO ORDER

The Town of Wellington Finance Committee meeting was called to order by Chair Christine Gaiter, on April 17, 2023 at 6:00 p.m. at the Town of Wellington. The meeting is being recorded and live streamed.

Attendance:

Chair Christine Gaiter

Jesy Andreen remote

Dominic Baranyi

Sara Knaack

Pat Johnson

Jason Mellin

Nic Redavid

Others in attendance:

Charity Campfield, Finance Director

Jon Gaiter, Trustee Liaison

Janice Foster, Accounting & Budget Analyst

Bob Gowing, Public Works Director

Meagan Smith, Deputy Public Works Director

B. PUBLIC INVITED TO BE HEARD

No Public comment was heard.

C. ACTION ITEMS /DISCUSSION ITEMS

1. Minutes from 03/20/2023 were approved after a spelling change. The motion was made by Nic Redavid and seconded by Jason Mellin.
2. Presentation from Public Works
3. Further Discussion of Mayor Pay – The suggestion was made to increase the recommendation for the Mayor's pay to \$5400 annually, \$450/month. Motion to change the mayor to \$5400 was made by Jason Mellin, Sarah Knaack seconded. The thought was that pay for the Mayor and Trustees would be reviewed every election cycle.

D. REPORTS

1. Staff Communications

Charity:

- Last few items for 2021 audit given to firm. They've moved on to providing 2022 items.
- Starting to set up the 2024 budget this week.

Trustee Gaiter:

- Transportation pilot plan presented to board recently. Options were to partner with another local entity, create our own, or work with a regional agency. The Finance Committee will be asked to review.
- Trustees will have initial discussion of the marijuana sales tax, then send to the Finance Committee for review.
- Volunteer dinner

2. Finance Committee Reports
 - Nic will miss the July meeting.
 - Christine – Volunteer proclamation from the Mayor
3. May Finance Committee meeting will be May 15, 2023. Potential topics are: strategic budgeting, 2021 Audit, marijuana discussion.

E. ADJOURN

The meeting was adjourned at 7:19 PM.

Pat Johnson
Finance Committee Secretary



Finance Committee Meeting

Date: May 15, 2023

Subject: Presentation of the 2024 budget calendar.

BACKGROUND / DISCUSSION

Staff will go over the 2024 budget calendar with the Finance Committee.

STAFF RECOMMENDATION

ATTACHMENTS

1. Budget Calendar

Date	Task	Lead	Stakeholders	Description of Work
19-Apr-2023	Draft Budget Calendar presented to Mayor	Town Administrator	Town Administrator and Mayor	
26-Apr-2023	Budget Calendar presented to Staff	Finance Director	Leadership Team	Comments will be given to Finance Director and adjustments will be made.
1-May-2023	Personnel request forms given to department heads	HR/Finance Director	Leadership Team	Department directors will complete all new requests
12-May-2023	Develop Budget Spreadsheet	Finance Director/ Budget and Accounting Analyst	Town Staff	The finance department will create a fluid spreadsheet to be able to track the budget document more effectively
6-Jun-2023	Import Data from Caselle	Finance Director/Budget and Accounting Analyst	Leadership Team	1. Finance Staff will import all GL's from Caselle 2. Finance Staff will calculate all recurring expenses (utility bills, property taxes, annual contract payments, etc.) 3. Finance Staff will build in all of the new budget structures needed for the FY 2024 budget.
12-Jun-2023	All new position requests are due to HR	HR	Leadership Team	
14-Jun-2023	Position Requests will be reviewed by the Leadership Team	Town Administrator/ HR	Leadership Team	The Leadership team will go over all new position requests and evaluate needs/wants and budgetary priority
20-Jun-2023	Create Positions Budget	HR	Town Administrator/Deputy Town Administrator/Finance Director/ Budget and Accounting Analyst	Re-Evaluate the Overhead numbers for the 2024 FY budget, Set benefits amounts for each department, Set Salary amounts for all departments, Finalize new position requests.
1-Jul-2023	Budget Instructions sent to Leadership team	Finance	Town Administrator	Budget instructions will include finalized year end 2021 and 2022 budget numbers with YTD 2023 numbers
11-Jul-2023	Presentation of 2021 and 2022 Audits	Finance	Town Administrator	Present audit findings to the BOT
1-Aug-2023	2023 Departmental Budgets due to Finance	Leadership Team	Town Administrator	Operational expenses and 5 year CIP budgets
2-Aug-2023	Finalize Department Submittals into Budget Document	Finance Director/Budget and Accounting Analyst	Leadership Team	CIP, Operations, Salary and Benefits
7-Aug-2023	Departments, Finance, HR and Town Admin review 2023 Budget Requests	Finance	Leadership Team	During this month we will have detailed meetings with each department about their FY 2024 Budgets. Estimated revenues with all senior staff on August 10. Prior to final decisions, another meeting to review "draft" final considerations should be shared.
21-Aug-2023	Finance Committee Meeting	Finance	Finance Committee	Finance will present department budgets to the Committee

28-Aug-2023	Assessor provides first total new assessed and actual values for real and personal property used to compute the statutory and TABOR property tax revenue limits	Finance	All Departments	
1-Sep-2023	5 year CIP due	Leadership Team	Finance Director/Budget and Accounting Analyst	
6-Sep-2023	Discuss Revenue Projections	Finance	Leadership Team	Leadership will meet and go over 2024 projected revenues
18-Sep-2023	Deadline for any budgetary changes	Finance	Leadership Team	
18-Sep-2023	Present Revenues to the Finance Committee	Finance	Finance Director/Budget and Accounting Analyst	
19-Sep-2023	Present Budget to BOT in Worksession	Finance/Leadership Team	BOT	
22-Sep-2023	Budget Document Must Be Completed	Finance Director/Budget and Accounting Analyst	Leadership Team	
10-Oct-2023	Regular BOT Meeting Budget Presentation	Finance Director/Town Administrator	BOT	
13-Oct-2023	State Deadline for Budget Document to be submitted to the governing body (CRS 29-1-106(1))			
17-Oct-2023	Budget Boonanza	Leadership Team	Wellington Residents	
24-Oct-2023	Present Budget to BOT in Worksession	Finance Director/Town Administrator	BOT	
7-Nov-2023	Presentation of FY 2024 Budget and Public Hearing for Adoption	Finance Director/Town Administrator	BOT	
21-Nov-2023	Budget Adoption(Hold if necessary)	Finance Director/Town Administrator	BOT	
12-Dec-2023	Certification of mill levy to County Commissioners/ State Deadline for Certification of the Mill Levy	Finance Director	Town Administrator	



Finance Committee Meeting

Date: May 15, 2023
Subject: Finance Committee Bylaw Review

BACKGROUND / DISCUSSION

Annual review of the Finance Committee's bylaws.

STAFF RECOMMENDATION

ATTACHMENTS

1. Finance Committee bylaws FINAL

Wellington Finance Committee

Bylaws – Adopted 07/18/2022

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 and statements of financial position as well as advise on 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 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 their 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 Robert's Rules of Order when making motions for decision making to best memorialize the Committee's actions.
 - 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.
 - The Chair shall present Committee reports to the Board of Trustees.

- b. Vice Chair
 - During the absence of the Chair, the Vice Chair will preside at the meeting of the Committee, render direction and decision on procedure unless direction or decision is opposed by majority of the Committee and will perform all duties and be subject to all responsibilities of the Chair.
 - The Vice Chair is responsible for managing preparation of reports and may delegate the responsibility to other Committee members.
- 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.
 - b. Special meetings may be called by the Chair or Vice Chair in the Chairs absence with 24 hours notice to all Committee members.
- 7. Attendance policy
 - a. After the 3rd absence of a regular meeting in one year the Committee by discretion and majority vote can recommend to the Board of Trustees the position be declared vacant.
- 8. 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. If the Chair has a conflict of interest on an agenda item, the Vice Chair shall perform the duties of Chair.
- 9. 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 two (2) hours in advance of the scheduled meeting.

Finance Committee Meeting

Date: May 15, 2023
Subject: Wellington Marijuana Tax Discussion

BACKGROUND / DISCUSSION

The Voters of the Town of Wellington passed legislation in 2021 to allow the sale of recreational marijuana within the town's limits. The town has approved a new recreational marijuana shop that will be opening later this year.

The Board of Trustees discussed this issue on April 18, 2023 with consideration of the following topics:

- The local excise tax was passed with the variability of increasing the 3.5% tax to up to 5%. The board is seeking input from the Finance Committee as to where this tax should be set at.
- The tax was approved to fund a community center or go towards general fund expenses.
- Staff has presented the option of setting the marijuana funds aside in a separate fund to track what we do receive the first year to help evaluate what revenue is being generated and how to best allocate the funds.

Staff had reached out to neighboring Larimer County communities to see how they manage the funds and what they see in revenue. The results are as follows:

Berthoud

- The local excise tax is 7%
- This revenue goes into a separate fund.
- The revenue from their excise tax annually averages \$660,000.
- The amount received from retail and medical marijuana on the 4% sales tax is \$448,000 annually.

Fort Collins

- The local excise tax is 3.85%
- The revenue goes into the general fund.
- Medical and retail revenue averages \$3.7 Million annually.

STAFF RECOMMENDATION

ATTACHMENTS

1. Marijuana Sales Tax Presentation

MARIJUANA SALES TAX





Types of Marijuana Tax Revenues

- Town of Wellington Sales Tax
 - The Town's sales tax rate is currently at 3%
- Town of Wellington Local Marijuana Tax
 - Set by ordinance as 3.5%, can be increased to 5%
 - Board to provide staff direction as to what the sales tax rate should be



Types of Marijuana Tax Revenues

- State of Colorado Marijuana Excise Tax
 - The State excise sales tax rate is currently at 15% (the logistics of this revenue I am still researching)
- State of Colorado Marijuana Sales Tax
 - The State marijuana sales tax rate is currently at 15% (the logistics of this revenue I am still researching)



Voter Approved Uses for Marijuana Sales Tax Revenue

- The Town of Wellington's voters passed the sale of recreational marijuana.
- The sales tax rate was set at 3.5% and can be increased up to 5%
- The designated uses were as follows:
 - To fund a future Community Recreation Center
 - To offset general fund expenditures within the Town of Wellington

Alignment of Marijuana Tax Funds with Strategic Plan Goals



PLANNING AND DEVELOPMENT

- Identify and promote development of community gathering spaces.

Town staff would like to create a Community Center fund and allocate all the local, state and excise marijuana tax to this fund.

Town staff is proposing to allocate the 3% sales tax that is collected by the state to go into the general fund. This will allow to provide an alternate funding source for the general fund expenses and aligns with the strategic plan goals.



FISCAL RESPONSIBILITY

- Ensure financial viability of town infrastructure and services by retaining and attracting business.
- Maintain financial transparency and increase operational efficiency.
- Pursue funding sources for the positive direction of the community.



Vision for the Town's Marijuana Funds

- Staff's goal is to be fiscally responsible with the Marijuana revenue.
- Due to the new market, unreliable projections of sales and overall uncertainty, the proposal of setting aside the Marijuana funds for future community center development is the most fiscally conservative use of these funds.
- The designation of these funds can change year to year and staff can address other budgetary needs once there is a better idea of what the revenue stream will look like.



Next Steps

- Staff will work with the board to set the local marijuana sales tax rate up to the voter approved 5%
- Staff will create a community center development fund to track the Wellington marijuana sales tax, state excise and state sales tax funds.
- Staff will monitor the revenue of this fund until January 2025.
- Staff will bring to the board the revenue statistics and work with the board to reevaluate how the different tax revenues will be allocated in future budgets.
- I think I need to add something here about working with the Finance Committee on the Marijuana issues since that is something they really want to be a part of.....

MARIJUANA SALES TAX

Questions

