



BOARD OF TRUSTEES
February 22, 2022
5:30 PM

Leeper Center, 3800 Wilson Avenue, Wellington, CO

Work Session Agenda

The Zoom details below are for online viewing and listening only.

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Passcode: 264063

Webinar ID: 886 9082 0900

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A. ITEMS

1. Board Outreach and Discretionary Funds Discussion

- Presentation: Patti Garcia, Town Administrator

2. Finance Committee - Presentation of Options

- Presentation: Patti Garcia, Town Administrator

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.

Board of Trustees Meeting

Date: February 22, 2022
Submitted By: Patti Garcia, Town Administrator
Subject: Board Outreach and Discretionary Funds Discussion

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

EXECUTIVE SUMMARY

In the 2022 adopted budget, the Trustees approved an Outreach Fund of \$107,500 and a Discretionary Fund of \$61,500.

An Outreach Fund is a fund used to promote activities or provide services that might not be provided due to lack of funding.

- To date, the Outreach Fund has committed \$82,500 to the Main Streets Program; this was approved at the January 25, 2022 Board of Trustee meeting with the approval of the Memorandum of Understanding. The Boys and Girls Club had presented and made a request for 2022 funding for \$25,000. This included \$5,000 which had been designated to Eagle After Hours in the past. The Boys and Girls Club have now taken over that program.
- The Main Street Program invoices the town in quarterly installments; the first installment of \$20,625 has been paid. The unencumbered available balance in the Outreach Fund is \$25,000; the current balance after the first quarterly payment to Main Street is \$61,875.

A discretionary fund is an amount of money that is available to spend on things that are not considered necessary but may be useful. In some municipalities, the elected officials use these funds to spend on small-scale projects.

- The Board Discretionary Fund includes the funding for the town's fireworks contract which is \$41,083 for 2022.
- The balance in the Discretionary Fund after payment of the fireworks contract is \$20,417.

It is up to the Trustees on how they want to use the funds; research has found that many municipalities create funding priorities and have an application process for outreach funds. Actions and/or eligibility requirements for the Outreach Fund may include:

- A 501(c)(3) nonprofit status and be in good standing with state and federal regulations
- An organization that demonstrates sound fiscal management
- Meet at least one area of the Wellington Strategic Plan
- Organizations that support activities and programs in Wellington
- Programs benefit citizen welfare and education in the region
- Organizations that address a unique community need
- Organizations that serve a broad spectrum of the community

- Organizations that avoid overlapping of services
- Report on how the grant funds were utilized by a specific date
- If a returning grantee, to be eligible the non-profit must have successfully completed the scope of work identified in prior grant applications and have expended all prior grant funds

Limitations could be placed on the amount of funds available per applicant and deadlines for application submittal.

The Board Discretionary Fund is available for small projects that the Trustees would like to contribute to that may not be already included in the budget. Examples include purchasing a piece of equipment for a park, funding a pilot program for a new activity for Wellington residents or financially supporting an activity that would benefit the town. The requests for the Board Discretionary Fund generally come from the Trustees themselves or town staff.

Staff is requesting direction on the following:

- Use of the balance of the Board Discretionary Fund as a presentation and request of funds was given by the Boy and Girls Club.
- Should a draft application process and reporting structure be created for the Outreach Fund for the 2023 budget for Trustee consideration.

BACKGROUND / DISCUSSION

STAFF RECOMMENDATION

ATTACHMENTS

1. Discretionary.Outreach fund presentation 02.15.2021

Board Outreach and Discretionary Funds

February 15, 2022 – Board of Trustee
Work Session





Trustees approved an Outreach Fund of \$107,500 and a Discretionary Fund of \$61,500 in the 2022 budget.

- An Outreach Fund is a fund used to promote activities or provide services that might not be provided due to lack of funding.
- A discretionary fund is an amount of money that is available to spend on things that are not considered necessary but may be useful. In some municipalities, the elected officials use these funds to spend on small-scale projects.




Outreach Fund - 2022

- Outreach Fund has committed \$82,500 to the Main Streets Program.
- The Boys and Girls Club had presented and made a request for 2022 funding for \$25,000. This included \$5,000 which had been designated to Eagle After Hours in the past. The Boys and Girls Club have now taken over that program.
- The Main Street Program invoices the town in quarterly installments; the first installment of \$20,625 has been paid.
- The unencumbered available balance in the Outreach Fund is \$25,000; the current balance after the first quarterly payment to Main Street is \$61,875.



Discretionary Fund

- Includes funding for the town's fireworks contract which is \$41,083 for 2022.
- Balance in the Discretionary Fund after payment of the fireworks contract is \$20,417.



Application process and/or eligibility requirements for an Outreach Fund may include:

- A 501(c)(3) nonprofit status and be in good standing with state and federal regulations
- An organization that demonstrates sound fiscal management
- Meet at least one area of the Wellington Strategic Plan
- Organizations that support activities and programs in Wellington
- Programs benefit citizen welfare and education in the region



Application process and/or eligibility requirements - Continued

- Organizations that address a unique community need
- Organizations that serve a broad spectrum of the community
- Organizations that avoid overlapping of services
- Report on how the grant funds were utilized by a specific date
- If a returning grantee, to be eligible the non-profit must have successfully completed the scope of work identified in prior grant applications and have expended all prior grant funds

Limitations could be placed on the amount of funds available per applicant and deadlines for application submittal.



The Board Discretionary Fund may be made available for small projects.

Examples: Purchasing a piece of equipment for a park, funding a pilot program for a new activity for Wellington residents or financially supporting an activity that would benefit the town.

The requests for the Board Discretionary Fund generally come from the Trustees themselves or town staff.



Staff direction is needed on the following:

- Use of the balance of the Board Discretionary Fund as a presentation and request of funds was given by the Boy and Girls Club.
- Should a draft application process and reporting structure be created for the Outreach Fund for the 2023 budget for Trustee consideration.

Outreach and Discretionary Fund Discussion

Any other questions or feedback?

Thank you!



Board of Trustees Meeting

Date: February 22, 2022
Submitted By: Patti Garcia, Town Administrator
Subject: Finance Committee - Presentation of Options

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

EXECUTIVE SUMMARY

This presentation is related to the request from the Board of Trustees for staff to look into the creation of a Finance Committee for the Town of Wellington.

BACKGROUND / DISCUSSION

Based on a request by the Board of Trustees, research was conducted in order to create a Finance Committee for the Town of Wellington. This would be an advisory board to the Board of Trustees concerning town finances, budget and financial reporting. The role of a Finance Committee is generally broken down into two types; either directing policy or general budget oversight. A Finance Committee that is policy related would be looking at items such as financial policies, purchasing policies, fleet policies and working with the town's appointed auditor. A Committee that has general budget oversight would be meeting to review revenues and adopted budget vs actual expenses. A Committee can be both policy and have budget oversight but it would be a heavy lift for members of the committee as well as staff.

Pursuant to Trustee discussions, it is believed that the Wellington Finance Committee would be one that has general budget oversight. In researching other municipalities, there are generally seven members appointed to the Committee. The Town Administrator and Town Finance Director/Treasurer would serve as ex-officio members. The balance of the members could be made up of two Trustees and three residents or three Trustees and two residents.

Below are some ideas for committee goals and meeting dates and times for discussion.

Committee Goals

- Review and provide feedback to the Board of Trustees on the Town's annual draft budget, budgeting priorities, and initiatives as determined by the Trustees.
- Periodically review the need for rotation of the Town's independent auditor.
- Participate in the interview process of qualified firms being considered to serve as the Town's auditor.
- Review the Town's draft annual audit and provide recommendations regarding responses to the Town auditors management letter. Provide recommendations to the Board of Trustees to accept the Town's audited year-end financial statements.
- Review of revenues (monthly or quarterly)
- Review of budget vs actual expenses (monthly or quarterly)
- Review of 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.

Meetings

- Monthly (as needed) or quarterly
- No more than 90 minutes in length

Vik Runkle, the town's interim Finance Director, will be unavailable for six weeks beginning April 30. She is very knowledgeable about the roles and responsibilities of a Finance Committee, and it is staff's request that the committee get established so she can participate in the initial meetings. There is a lot of information to absorb for those that will be appointed and it is recommended that five weekly meetings be held in order to get everyone up to speed. The tentative schedule and topics are listed below. The dates were chosen based on Trustee and Advisory Board meetings schedules, candidate forums, municipal court and conference room availability.

Meeting 1 – Wednesday, March 23

- Identify roles and responsibilities
 - Budget and accounting cycle/calendar.
 - Monthly or quarterly report to the BOT.
 - “Color of Money” presentation. This is a presentation of General Fund, Special Revenue Funds, Enterprise and Trust Funds. The accounting and auditing “parameters and rules” of revenues and expenditures of each Fund type.
 - TABOR/Debruce discussion.
 - Creation of bylaws.

Meeting 2 – Wednesday, March 30

- Review of General Fund
 - Revenues
 - Expenditures
 - CIP

Meeting 3 – Thursday, April 7

- Review of Street Fund
 - Revenues
 - Expenditures
 - CIP
- Review of Park Fund
 - Revenues
 - Expenditures
 - CIP
- Review of Conservation Trust Fund



- Revenues
- Expenditures
- Review of Library Trust Fund
 - Revenues
 - Expenditures

Meeting 4 – Thursday, April 14

- Review of Water Fund
 - Revenues
 - Expenditures
 - Debt and CIP
- Review of Sewer Fund
 - Revenues
 - Expenditures
 - Debt and CIP
- Review of Drainage Fund
 - Revenues
 - Expenditures
 - Debt and CIP

Meeting 5 – Wednesday, April 20

- Discuss policies: types of reserves, creation of CIP funds

Staff would prefer to have an ordinance for the creation of the Finance Committee on the March 8 agenda to allow for resident applications, interviews and appointments to take place prior to the first meeting on March 23, 2022 (tentative).

Items for Trustee discussion for this evening:

- Should the Finance Committee be policy driven or have general budget oversight?
- How many members should be on the Committee? What would be the preferred make up of Trustees and residents? Do the members need to commit to attending all five weeks of onboarding?
- How are Trustees selected to serve on the committee? Can they be appointed on March 8? They will need to be established in order to proceed with the interview process for resident appointments.
- The resident application process could be the same as other Wellington advisory boards unless there is direction from the Trustees to have specific eligibility requirements.
- Are resident appointees required to be residents of the town of Wellington or just the Growth Management Area?
- How long should Trustee and resident terms be? Other municipalities use two- or four-year terms with appointments in April of even-numbered years.
- Review of Committee Goals and provide input/recommendations to staff.

STAFF RECOMMENDATION



ATTACHMENTS

1. Finance Committee presentation 02.22.22

Finance Committee Options

February 15, 2022 – Board of Trustee
Work Session





Role of Finance Committee

- Policy – financial policies, purchasing policies, fleet policies, etc.

OR

- General Budget Oversight – Review revenues and adopted budget vs expenses.



Committee Goals

- Review annual draft budget, budgeting priorities, and initiatives.
- Review the need for rotation of the Town's independent auditor.
- Participate in the interview process of qualified firms being considered to serve as the Town's auditor.
- Review the Town's draft annual audit and provide recommendations regarding responses to the Town auditors management letter. Provide recommendations to the Board of Trustees to accept the Town's audited year-end financial statements.
- Review of revenues (monthly or quarterly)
- Review of budget vs actual expenses (monthly or quarterly)
- Review of 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.



Creation of Finance Committee

- Adopted by Ordinance
- Tentatively scheduled for consideration at the March 8, 2022 Board of Trustee meeting



Finance Committee Meetings

- Five weeks of “on boarding” (March 23 – April 20)
- Then monthly (as needed) or quarterly
- No more than two hours in length



First Five Weeks

Proposed dates:

- Meeting 1 - Wednesday, March 23 @ 5:30 pm
- Meeting 2 - Wednesday, March 30 @ 5:30 pm
- Meeting 3 - Thursday, April 7 @ 5:30 pm
- Meeting 4 - Thursday, April 14 @ 5:30 pm
- Meeting 5 - Wednesday, April 20 @ 5:30 pm



Onboarding Topics

Meeting 1 - Topics

- Identify roles and responsibilities
- Budget and accounting cycle/calendar.
- Monthly or quarterly report to the BOT.
- “Color of Money” presentation. This is a presentation of General Fund, Special Revenue Funds, Enterprise and Trust Funds.
- TABOR/Debruce discussion.
- Creation of bylaws.



Onboarding Topics

Meeting 2 - Review of General Fund

Meeting 3 – Review of Street, Park,
Conservation Trust and Library Trust Funds

Meeting 4 – Review Water, Sewer and
Drainage Funds

Meeting 5 – Discuss policies



Items for discussion/direction

- Finance Committee – Policy or Budget driven?
- How many members on the Committee? How many Trustees and how many residents?
- How are Trustees selected to serve on the Committee?
- Are there any application requirements for residents?
- How long should terms be?
- After review of the Committee Goals, what should be removed and what should be added?
- Any comments regarding the onboarding dates?
- Any comments or suggestions related to the onboarding topics?

Finance Committee Options

Any other questions or feedback?

Thank you!

