

**TOWN OF TIMNATH, COLORADO
RESOLUTION NO. 18, SERIES 2012**

**A RESOLUTION ADOPTING CERTAIN POLICIES RELATED TO THE
MANAGEMENT OF THE TOWN'S FINANCIAL MATTERS**

WHEREAS, the Town Council of the Town of Timnath ("Town") pursuant to C.R.S. § 31-15-103, has the power to pass resolutions; and

WHEREAS, pursuant to that power, the Town Council finds it necessary to adopt policies that provide guidance to staff and future decision makers regarding the management of the Town's financial matters; and

WHEREAS, the Town Council has determined that the attached policies for Purchasing, Debt Management, Policies Governing the Timnath Development Authority and Elections are critical to the proper management of the Town's financial affairs.

NOW, THEREFORE, BE IT RESOLVED BY THE TOWN COUNCIL OF THE TOWN OF TIMNATH, COLORADO as follows:

The Town Council hereby adopts the attached policies and directs the Town Manager to place them into effect immediately.

INTRODUCED, MOVED, AND ADOPTED BY THE TOWN COUNCIL OF THE TOWN OF TIMNATH, AUGUST 28, 2012,

TOWN OF TIMNATH, COLORADO



Jill Grossman-Belisle, Mayor

ATTEST:



Milissa Peters, Town Clerk



**TOWN COUNCIL ADOPTED POLICY
TOWN OF TIMNATH**

SUBJECT: Purchasing

CAP#: 18A - 2012

ISSUE DATE

August 28, 2012

EFFECTIVE DATE

August 28, 2012

INTENT

This policy establishes guidelines related to Town purchases. The Town budget is the principle controlling document and all purchases must conform to the forecasted expenditures approved by Town Council as part of the budget process. The existence of an item in the Town budget does not automatically authorize procurement. This policy along with the Purchasing Procedures and any other Town applicable procedures and/or policies will establish internal controls and provide guidelines to ensure fair treatment to all vendors seeking to do business with the Town. Expenditures related to the ongoing principal and interest payments for Town approved debt are not subject to this purchasing policy. When purchases involve the expenditure of federal, state, or local grants and/or are related to a Town approved intergovernmental agreement, the purchase should be in compliance with any applicable laws, regulations and/or agreement requirements. All employees purchasing on behalf of the Town are expected to adhere to the Town's purchasing policy.

POLICY

I. Standards for Purchasing

The following general standards apply when making purchases for the Town:

1. All purchases must be for the benefit of the Town.
2. All purchases must be properly authorized, approved and accurately recorded and allocated to the correct time period, fund and budget account.
3. All purchases must be supported by sufficient documentation that includes payee, goods/services purchased and amount of purchase.
4. All purchases must be within the approved budget unless prior approval has been obtained by the Town Manager.

5. Procure for the Town, if in the best interest of the Town, the best economic advantages while striving to achieve the highest quality of goods and services necessary to accomplish the needed functions of the Town.
6. Whenever possible, consolidate purchases in order to obtain economic benefits.
7. Encourage open competition as much as practical and when in the best interests of the Town
8. Purchase goods and services from local vendors all other things being equal.
9. Require vendors to fulfill all terms and conditions of contracts and purchase orders.
10. Take advantage of all State and local tax exemptions.
11. Ensure that purchases go through the system of internal controls established in this policy and the Purchasing Procedures.

II. Authority to Purchase and Authorization Limits

The following personnel will have the authority to make purchases for the Town in accordance with the approved budget. If needed, the Town's Finance Director will be consulted in circumstances when the budget objective is not clear. Any incurred obligations not authorized pursuant to this policy may become the individual's responsibility.

1. Department Directors have authority to approve purchases up to \$5,000 for items that have already been approved and are included in the Town's budget. Items in excess of \$5,000 will require the Town Manager's or designee's approval. Items that are not included in the Town's budget will require the Town Manager's approval. The following items will always require the Town Manager's or designee's approval regardless of the dollar amount:
 - a. Vehicles and rolling stock
 - b. Firearms
 - c. IT hardware or software purchases over \$50 (e.g., printers, TVs, computers, monitors, laptops, audio/visual equipment, fax machines, etc.)
 - d. Cell phones (see Cell Phone Policy)
 - e. Building and facility modifications
 - f. Multi year contracts in excess of \$5,000

2. The Town Manager is designated to approve purchases up to \$25,000 for items that have already been approved and are included in the Town's budget, with the exception of the following item which will require Town Council's approval regardless of the dollar amount:
 - a. Real estate and land purchase contracts
 - b. Public Art

The Town Manager may choose to further delegate purchasing authority, but cannot delegate accountability.

3. All items over \$25,000 will require Town Council approval.
4. All Town travel including business travel and professional/educational travel must be approved by the appropriate Supervisor or Department Director. Additionally, any out of state travel must also be approved by the Town Manager or Town Council. Upon completion of travel, itemized receipts for all expenses should be submitted for reimbursement or reimbursement may be denied. In all cases, the most cost effective method of travel must be sought, otherwise deemed impractical. Refer to the Town's Travel Policy for more information.
5. The above authorization limits however must also be in compliance with internal controls and approvals, and follow the Town's Purchasing Procedures.
6. No purchases are to be artificially separated in an attempt to avoid the established authorization limits detailed above.

III. Contract Bid Guidelines

The Town is not included in the category of municipalities that are subject to the municipal public bidding statute contained in Title 31 of the Colorado Revised Statutes. Accordingly, the Town will adhere to the following contract procurement policies.

1. The Town will utilize a qualified vendor list which will be updated by the Town no less than once a year, in which to select vendors from to perform Town services or to make purchases from.
2. When deemed appropriate and in the best interest of the Town, the Town will contract services through a formal, public bidding process. At no such time, will the Town utilize the public bidding process under the following conditions:
 - a. Where the process may cause undue delay.

- b. When deemed in the best interest of the Town.
- c. Only one sole provider exists.
- d. If the bidding process would result in substantially higher cost to the Town, injure the Town's financial interests or impede the Town's administrative functions.
- e. An exact product must be purchased to maintain compatibility, standardization or visual synchronization.
- f. The product is a work of art.
- g. A change order in price to an existing, approved contract or agreement
- h. Ongoing services provided to the Town by an entity which has been identified as the most qualified and/or preferred provider so long as the provided services continue to meet the standards of performance acceptable to the Town. These ongoing services can include, but are not limited to, public works and accounting and finance.

IV. Emergency Procedures

Emergencies are those instances when there exists a threat to the public health, welfare or safety, or when delay would cause harm to the Town. In the case of an emergency or an immediate public necessity, when it is not feasible to follow the bidding procedures, and it is necessary to authorize the purchase of equipment, supplies or services, or emergency repair costs in excess of \$25,000, the Town Manager shall first notify the Mayor or in the absence of the Mayor, the Mayor Pro Tem. In the absence of the Mayor and Mayor Pro Tem, the Town Manager is authorized to purchase the equipment, supplies or services necessary to manage the emergency. The Mayor and Mayor Pro Tem are also authorized to approve emergency purchases as needed.

V. Conflicts of Interest

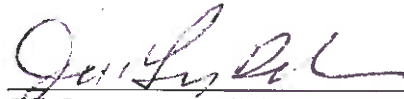
If a potential conflict exists or is perceived to exist, the employee shall notify the Town Manager in writing. Town employees shall not be allowed to bid when the Town is purchasing or contracting for supplies, services and construction items. Relatives of Town employees will be allowed to bid on purchases or contracts with the Town only in those situations where the employee that is related to the bidder has no involvement or decision authority in the process of awarding the bid.

VII. Check Approval

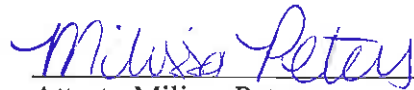
The Town processes checks bi-monthly. Interim checks may be cut on an exception basis. All invoices will be reviewed by Finance in accordance with this policy. See the Town's Purchasing Procedures for additional information.

VIII. Policy Review

The Town Manager and Finance Director will be responsible for reviewing the Purchasing Policy on an annual basis and will make recommendations for revisions to the policy as deemed appropriate. Adoption and changes to the policy will require an affirmative vote by Town Council.



Jill Grossman-Belisle
Mayor



Attest: Milissa Peters
Town Clerk

**TOWN COUNCIL ADOPTED POLICY
TOWN OF TIMNATH**

SUBJECT: Debt Management

CAP#: 18B - 2012

ISSUE DATE

August 28, 2012

EFFECTIVE DATE

August 28, 2012

INTENT

The Town of Timnath (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 to help ensure that the Town maintains a sound debt position and that its credit quality is protected. 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 TDA is not included as 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 Finance Director and any 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, or Town Manager designee, shall prepare and present to Town Council a resolution of intent to issue debt and authorization of Town staff to proceed with the necessary preparations. All securities issued by the Town may only be issued after the majority approval of the Town's electorate.

Capital Improvement Plan

On an annual basis and as part of the Town's budgeting process, the Town's Public Works Director will prepare and/or update a ten (10) year Capital Improvement Plan (CIP) identifying capital projects that are part of the Town's long-term strategic vision and economic development plan. The CIP will include the associated, estimated ongoing operations and maintenance costs of such capital assets so that the total costs of the projects are considered 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 significant 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 maximize the pay-as-you-go approach for its capital projects expenditures (see Capital Planning and Reserves 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 Town Council.

Types of Debt

The types of debt instruments to be used by the Town will include:

- General Obligation Bonds
- Revenue Bonds
- Short-term Notes
- Special or Local Improvement Bonds
- Tax Increment Securities
- Any other legally recognized security approved by Town Council 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 last preceding assessment received from Laminar 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 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. 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 at all times 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.

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%) 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's Finance Director will prepare a cash flow projection to determine the availability of funds accessible 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.

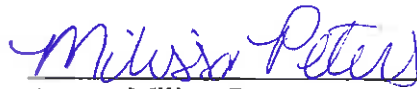
The Town's Finance Director will be responsible for managing the post issuance requirements listed above and/or cause any post issuance requirements to be completed.

Policy Review

The Town Manager and the Town's Finance Director will review the Debt Management Policy annually in connection with the Town's annual budget process to ensure that the Town is adhering to the framework outlined in this policy and will make recommendations to revise the policy as needed. Adoption and changes to this policy will require an affirmative vote by Town Council.



Jill Grossman-Belisle
Mayor



Attest: Milissa Peters
Town Clerk

**TIMNATH DEVELOPMENT AUTHORITY
BOARD ADOPTED POLICY**

SUBJECT: Policies Governing the Timnath Development Authority

CAP#: 18C - 2012

ISSUE DATE

August 28, 2012

EFFECTIVE DATE

August 28, 2012

INTENT


The Timnath Development Authority (TDA) was established to cure blight areas within the Town of Timnath (Town) and its growth management areas. The Town Council serves as the governing board for the TDA. The Town recognizes the important role that the TDA serves and the revenue funding mechanism provided by the TDA to the Town. It is the intent of the TDA to work collaboratively with the Town to contribute to the Town's overall success.

POLICY

The Town has established various financial and other policies to provide guiding principles and specific framework in which the Town has chosen to operate under. The TDA will strive to operate under the same policies adopted by the Town, unless otherwise deemed appropriate by the TDA Board. Moreover, the TDA will coordinate its activities with the Town in an effort to serve the best interests of the Town as a whole.



Jill Grossman-Belisle
Chair



Attest: Milissa Peters

**TOWN COUNCIL ADOPTED POLICY
TOWN OF TIMNATH**

SUBJECT: Elections

CAP#: 18D - 2012

ISSUE DATE

August 28, 2012

EFFECTIVE DATE

August 28, 2012

INTENT

The Town of Timnath (Town) believes it is critical to hold elections that are fair, impartial, transparent, and meet the ideals of representative democracy. The Town, Larimer County, State of Colorado, and United States all have election policies, and the Town intends to meet its obligations under the myriad of rules and regulations that govern elections.

POLICY

The Town shall conduct elections in conformity with the State's Uniform Election Code, and the Town's Home Rule Charter and Municipal Code. The Town will commit the resources needed to implement the processes and procedures stipulated by these governing documents.

In the event that the Town Clerk is a resident of the Town, the Designated Election Official and/or the conduction of elections will be outsourced to a person and/or company with experience conducting elections who/that have no conflict of interest, or potential conflict of interest, in the outcome of the election, unless this requirement is waived by a majority vote of Town Council.

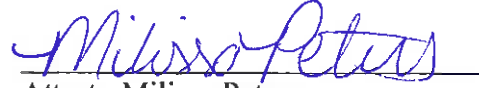
While the Town's Home Rule status allows modifications to the State's Uniform Election Code and as the Town has adopted certain modifications when the Charter was adopted, additional changes to the State's Uniform Election Code will only be considered if there is substantial concern with the existing policies and procedures.

Policy Review

The Town Clerk will be responsible for reviewing the Election Policy prior to any Town election. Furthermore, the Town Clerk will make recommendations to change the policy as deemed appropriate. Adoption and changes to this policy will require an affirmative vote by Town Council.



Bill Grossman-Belisle
Mayor



Attest: Milissa Peters
Town Clerk