



---

---

# Financial Summary

---

---



**Financial Condition of the Town**

While the Town of Frisco has not been immune to the economic crisis that hit the nation in the fall of 2008, the Town's financial policies and philosophies allowed flexibility to react to the downturn from a fairly secure position. In 2005, Town Council adopted a resolution requiring various levels of reserves for its funds should future revenue shortfalls occur. These reserves were suspended for 2009, 2010 and 2011 in order for the Town to maintain current service levels. Council authorized a drawdown of \$500,000 of reserves (if needed) for each of those years. Additionally, in 2010, Council committed to proceeding with the first phase of the Frisco Adventure Park. The Town recognizes the associated risks of decreasing fund balances but believes this amenity will increase the Town's desirability as a destination resort. Even though this amenity has only been in operation for a short period of time, it appears that those predictions will prove correct. The Town's fund balances decreased by \$5,664,914 during this three year period but changes to fund balances from 2011 projected to 2012 proposed are virtually unchanged. Council remains committed to re-building the Town's reserves.

Similar to most Colorado municipalities, the Town is heavily dependent on sales tax revenues to provide services to its citizens. Sales taxes comprise 77% of the Town's General Fund revenues and remain concentrated with the top ten sales taxpayers generating roughly 50% of those revenues. The Town experienced an economic downturn during 2002-2004 but ensuing years saw continuing growth in these revenues. However, the Town began experiencing revenue declines late in 2008 – a direct result of the national economic crisis. The Town is seeing some recent signs of growth and sales tax revenues for 2012 are projected to increase by 3.9% over 2011 budgeted revenues and 2.1% over 2011 projected revenues.

Projected 2011 lodging taxes, which are restricted to economic development, special events, recreation, etc., continue to show some increases but only 1.22% from 2010 actual revenues. 2012 lodging tax revenues are budgeted at 2.89% growth over 2011 projected revenues.

Wages and benefits are 61.99% of Town expenditures in the General Fund. The Town has given 0-5% annual merit salary increases for the past few years; in 2009, a budgeted salary survey was postponed and merit increases were suspended effective 4/1/09. For 2010, Council approved a 1.5% market adjustment for all employees in order to remain competitive in the market but merit increases continued to be suspended throughout 2010. In 2011 and 2012, the Town's performance assessment merit program was reinstated; 2012 merit increases are limited to a 3% increase. The Town's self-insured health plan is regularly reviewed by staff and the employee benefit committee. In 2012, the Town will implement a high deductible health plan with health savings accounts for participants and will continue to assume an additional aggregating deductible liability of \$65,000, both of which should result in lower premiums.

The Town has taken a conservative and creative approach in its budgeting for 2012, considering national and regional economic activity and past history and their impact on the Town's resources.

**Bond Rating**

Due primarily to the Town's strong General Fund balance, the Town's bond rating was upgraded in 2007 from A3 to A1 by Moody's Investors Service. This "two-notch" upgrade was very beneficial for the Town in that financing costs would be lower, should the Town choose to issue additional bonds at some time in the future.

## **Balanced Budget**

### **General Fund**

The General Fund budgeted revenues for 2012 are \$7,964,990 and the beginning 2012 fund balance is projected at \$2,541,651 for a combined total of \$10,505,641. General Fund operating expenditures are budgeted at \$8,001,269. Comparing 2011 projected fund balance to 2012 budgeted, a decrease of only \$36,279 is expected, primarily a result of the Town's commitment to rebuild the fund balance to former required levels.

### **Capital Improvement Fund**

The Town, by resolution, dedicates any General Fund balance in excess of the required nine month reserve to the Capital Improvement Fund for major capital projects (\$5,000 or more). In light of the economic downturn, there was no General Fund excess in 2009, 2010 or 2011. The other major revenue source for this fund is real estate investment fees. These revenues began dramatically declining in 2008 and are not predicted to recover to the high 2007 levels for at least 3 or 4 years, if at all. The majority of the total capital expenditures of \$793,500 are to be expended for street improvements, affordable housing projects and asset replacement/maintenance. Combined revenues and beginning 2012 fund balance are projected at \$3,598,078, resulting in a \$256,740 increase in this fund balance.

### **Enterprise Funds**

The Town has two enterprise funds, deriving their revenues from user fees. The Water Fund provides water services to the Town's residents and its major sources of revenue are charges for water and water tap fees. Total projected 2012 revenues are \$843,600, a 5.4% increase over 2011 budgeted revenues. This increase is a result of an annual 3% rate increase and a slight improvement in the housing market and associated water equipment costs. Expenditures for 2012 are expected to total \$842,531, a 23.4% increase over 2011 budgeted expenditures. This increase is a result of additional current year needs for capital improvements.

The Marina Fund's major source of revenues is slip, mooring, boat and kayak rentals, comprising 56.65% of the total revenues projected for 2012. Total projected revenues for 2012 equal \$845,600, a \$1,200 decrease over 2011 budgeted revenues. Projected expenditures for 2012 equal \$1,014,463, a 7.64% increase over 2011 budgeted expenditures. This increase is a result of additional current year needs for capital improvements.

### **Debt**

The Town issued Certificates of Participation in 2002 in the principal amount of \$2,500,000 for the purpose of financing improvements to the Frisco Bay Lakefront Park and Marina, other parks and recreation projects and other capital improvements. In 2010, these 2002 COPs were refunded and new COPs were issued for the purpose of financing the Frisco Adventure Park. The par amount of the refunded bonds was \$1,950,000 and this amount, plus associated escrow requirements and other costs, was part of a new COP issuance in the amount of \$4,450,000. \$2,500,000 of this amount was used to fund the Frisco Adventure Park. These certificates are secured by base rental payments and the purchase option price, as described in the issuance. Debt service for the Town's Certificates of Participation are paid from REIF revenues and fees generated from the Adventure Park; debt service in 2012 totals \$368,449. The balance due (principal and interest) at 12/31/11 is \$4,215,000. More detailed information regarding this financing can be found under the Debt Management tab of this document.

### **Miscellaneous**

The three tables following this summary are provided as an opportunity to observe all of the Town's funds combined. The Town's Financial Policies are also provided in this section, as are the ordinances/resolution adopting the budget, appropriating expenditures and levying property taxes.

The Town's Investment Policy is presented in its own section, along with a summary of the Town's investments as of October 31, 2011. (See the Investment tab in this document, immediately preceding this section.)

Town of Frisco  
2011 Budget Projection Summary  
The following summary shows 2011 projected revenues and expenditures by fund

	General Fund	Capital Improvement Fund	Conservation Trust Fund	Water Fund	Open Space Fund	Insurance Reserve Fund	SCHA (5A) Fund	Lodging Tax Fund	Marina Fund	Grand Total
<b>Revenues</b>										
Taxes	\$5,761,493	\$600,000					\$125,000	\$242,000		\$6,728,493
Licenses & Permits	258,550						58,000			316,550
Intergovernmental	210,500	200,000								440,500
Charges for Services	1,175,675			736,000					790,900	2,702,575
Investment Income	25,000	23,000	250	22,000	1,000	2,300	2,500	2,000	3,400	81,450
Lottery Proceeds			27,000							27,000
Other Revenues	265,020			202,600				21,400	52,500	541,520
<b>Total Revenues</b>	<b>7,696,238</b>	<b>823,000</b>	<b>27,250</b>	<b>960,600</b>	<b>1,000</b>	<b>2,300</b>	<b>185,500</b>	<b>295,400</b>	<b>846,800</b>	<b>10,838,088</b>
<b>Expenditures</b>										
General Government	2,375,653									2,375,653
Public Safety	1,323,461									1,323,461
Community Development	873,430							207,330		1,080,760
Public Works	1,742,899									1,742,899
Culture and Recreation	1,801,755		35,000					246,850		2,083,605
Capital Outlay		1,836,575		180,000			248,795		368,000	2,633,370
Debt Service		368,249							132,000	500,249
Other Expenditures		2,000		488,943		65,000	45,000		557,957	1,158,900
<b>Total Expenditures</b>	<b>8,117,198</b>	<b>2,206,824</b>	<b>35,000</b>	<b>668,943</b>	<b>0</b>	<b>65,000</b>	<b>293,795</b>	<b>454,180</b>	<b>1,057,957</b>	<b>12,898,897</b>
<b>Other Sources (Uses)</b>										
Sale of Assets		18,500								18,500
Capital Interest Subsidy		52,189								52,189
Loan Proceeds										
Transfers In										
Transfers Out										
Net Change in Fund Balance	-420,960	-1,313,135	-7,750	291,657	1,000	-62,700	-108,295	-158,780	-211,157	-1,990,120
<b>Fund Balance - January 1</b>	<b>2,962,611</b>	<b>4,173,213</b>	<b>24,634</b>	<b>3,377,958</b>	<b>109,982</b>	<b>260,676</b>	<b>465,990</b>	<b>326,767</b>	<b>735,191</b>	<b>12,437,021</b>
<b>Fund Balance - December 31</b>	<b>\$2,541,651</b>	<b>\$2,860,078</b>	<b>\$16,884</b>	<b>\$3,669,615</b>	<b>\$110,982</b>	<b>\$197,976</b>	<b>\$357,695</b>	<b>\$167,987</b>	<b>\$524,034</b>	<b>\$10,446,901</b>

For an analysis of changes in fund balance, see the discussion of fund balances in the Budget/Financial Overview section of this budget document.

Town of Frisco  
2012 Budget Summary  
The following summary shows 2012 budgeted revenues and expenditures by fund

	General Fund	Capital Improvement Fund	Conservation Trust Fund	Water Fund	Open Space Fund	Insurance Reserve Fund	SCHA (SA) Fund	Lodging Tax Fund	Marina Fund	Grand Total
<b>Revenues</b>										
Taxes	\$5,848,015	\$675,000					\$130,000	\$249,000		\$6,902,015
Licenses & Permits	238,000						50,000			288,000
Intergovernmental	218,125	40,000						30,000		288,125
Charges for Services	1,366,300			736,000					768,450	2,870,750
Investment Income	25,000	23,000	250	22,000	1,000	2,300	2,500	2,000	3,400	81,450
Lottery Proceeds			27,000							27,000
Other Revenues	269,550			217,600				21,900	73,750	582,800
<b>Total Revenues</b>	<b>7,964,990</b>	<b>738,000</b>	<b>27,250</b>	<b>975,600</b>	<b>1,000</b>	<b>2,300</b>	<b>182,500</b>	<b>302,900</b>	<b>845,600</b>	<b>11,040,140</b>
<b>Expenditures</b>										
General Government	2,174,419									2,174,419
Public Safety	1,368,273									1,368,273
Community Development	834,079							204,184		1,038,263
Public Works	1,720,952									1,720,952
Culture and Recreation	1,903,546		27,000					160,050		2,090,596
Capital Outlay		918,500		329,000			150,000		290,000	1,687,500
Debt Service		368,449							132,000	500,449
Other Expenditures		2,000		513,531		65,000	45,000		592,463	1,217,994
<b>Total Expenditures</b>	<b>8,001,269</b>	<b>1,288,949</b>	<b>27,000</b>	<b>842,531</b>	<b>0</b>	<b>65,000</b>	<b>195,000</b>	<b>364,234</b>	<b>1,014,463</b>	<b>11,798,446</b>
<b>Other Sources (Uses)</b>										
Sale of Assets		755,500								755,500
Capital Interest Subsidy		52,189								52,189
Loan Proceeds										
Transfers In										
Transfers Out										
Net Change in Fund Balance	-36,279	256,740	250	133,069	1,000	-62,700	-12,500	-61,334	-168,863	49,383
<b>Fund Balance - January 1</b>	<b>2,541,651</b>	<b>2,860,078</b>	<b>16,884</b>	<b>3,669,615</b>	<b>110,982</b>	<b>197,976</b>	<b>357,695</b>	<b>167,987</b>	<b>524,034</b>	<b>10,446,901</b>
<b>Fund Balance - December 31</b>	<b>\$2,505,372</b>	<b>\$3,116,818</b>	<b>\$17,134</b>	<b>\$3,802,684</b>	<b>\$111,982</b>	<b>\$135,276</b>	<b>\$345,195</b>	<b>\$106,653</b>	<b>\$355,171</b>	<b>\$10,496,284</b>

For an analysis of changes in fund balance, see the discussion of fund balances in the Budget/Financial Overview section of this budget document.

Town of Frisco  
Multi-Year Budget Summary

12/1/2011

The following summary shows prior, current and proposed years revenues and expenditures for all funds

<b>Revenues</b>	<b>2009 Actual</b>	<b>2010 Actual</b>	<b>2011 Budget</b>	<b>2011 Projected</b>	<b>2012 Budgeted</b>
Taxes	\$6,523,791	\$6,635,212	\$6,542,034	\$6,728,493	\$6,902,015
Licenses & Permits	320,102	\$348,234	\$334,400	\$316,550	\$288,000
Intergovernmental	242,012	\$246,369	\$546,000	\$440,500	\$288,125
Charges for Services	2,100,322	\$2,380,302	\$2,814,855	\$2,702,575	\$2,870,750
Investment Income	208,960	\$121,113	\$111,500	\$81,450	\$81,450
Lottery Proceeds	26,248	\$25,127	\$24,000	\$27,000	\$27,000
Other Revenues	263,525	\$263,119	\$551,976	\$541,520	\$582,800
<b>Total Revenues</b>	<b>9,684,961</b>	<b>10,019,476</b>	<b>10,924,765</b>	<b>10,838,088</b>	<b>11,040,140</b>
<b>Expenditures</b>					
General Government	2,260,186	2,191,648	2,354,830	2,375,653	2,174,419
Public Safety	1,301,162	1,247,748	1,307,910	1,323,461	1,368,273
Community Development	1,255,222	1,153,995	1,045,924	1,080,760	1,038,263
Public Works	1,597,000	1,627,492	1,830,526	1,742,899	1,720,952
Culture and Recreation	972,866	1,436,439	2,124,680	2,083,605	2,090,596
Capital Outlay	1,779,597	7,166,818	2,793,795	2,633,370	1,687,500
Debt Service	291,304	379,657	448,060	500,249	500,449
Other Expenditures	1,121,102	1,313,318	1,175,223	1,158,900	1,217,994
<b>Total Expenditures</b>	<b>10,578,439</b>	<b>16,517,115</b>	<b>13,080,948</b>	<b>12,898,897</b>	<b>11,798,446</b>
<b>Other Sources (Uses)</b>					
Sale of Assets		6,436		18,500	755,500
Capital Interest Subsidy		24,645		52,189	52,189
Loan Proceeds		4,450,000			
COP Premiums		20,791			
Refunding Bond Payment		-1,917,775			
Cost of Issuance		-127,831			
Lease Purchase Proceeds		366,579			
Transfers In	1,887,597	2,700,000			
Transfers Out	-1,887,597	-2,700,000			
Net Change in Fund Balance	-893,479	-3,674,792	-2,156,183	-1,990,120	49,383
<b>Fund Balance - January 1</b>	<b>17,005,294</b>	<b>16,111,813</b>	<b>11,859,773</b>	<b>12,437,021</b>	<b>10,446,901</b>
<b>Fund Balance - December 31</b>	<b>\$16,111,813</b>	<b>\$12,437,021</b>	<b>\$9,703,590</b>	<b>\$10,446,901</b>	<b>\$10,496,284</b>

**TOWN OF FRISCO  
COUNTY OF SUMMIT  
STATE OF COLORADO  
ORDINANCE 11-12**

AN ORDINANCE LEVYING GENERAL PROPERTY TAXES FOR THE YEAR 2011 TO HELP DEFRAY THE COST OF GOVERNMENT FOR THE TOWN OF FRISCO, COLORADO FOR THE 2012 BUDGET YEAR.

WHEREAS, the Town Council of the Town of Frisco received the annual budget, on September 30, 2011 in accordance with the Town's Home Rule Charter; and

WHEREAS, the Town Council will hold a First Reading on October 25, 2011 and a Second Reading and Public Hearing on November 8, 2011 setting the mill levy for 2012; and

WHEREAS, the 2011 valuation for assessment for the Town of Frisco as estimated by the County Assessor is \$157,717,820. In the event the County Assessor changes the assessed value, by November 8, 2011, the Town Council authorizes the Frisco Town Clerk to make the necessary changes to the ordinance, exclusive of the levied tax of .798 mills, to acknowledge the certified assessed value without having to bring said ordinance before Council.

NOW, THEREFORE, BE IT ORDAINED BY THE TOWN COUNCIL OF THE TOWN OF FRISCO, COLORADO THAT:

Section 1. For the purpose of meeting all general operating expenses of the Town of Frisco during the 2012 budget year, there is hereby levied a tax of .798 mills upon each dollar of the total valuation for assessment of all taxable property within the Town of Frisco for the year 2012.

Section 2. That Bonnie Moinet, Interim Town Manager, is hereby authorized and directed to certify to the County Commissioners of Summit County, Colorado, by December 15, 2011 the mill levy for the Town of Frisco as hereinabove determined and set.

INTRODUCED, READ AND ORDERED PUBLISHED AND POSTED ON ITS FIRST READING THIS 25th DAY OF OCTOBER, 2011.

ADOPTED ON SECOND AND FINAL READING AND PUBLICATION BY TITLE ORDERED THIS 8<sup>TH</sup> DAY OF NOVEMBER 2011.

TOWN OF FRISCO:



Bill Pelham, Mayor

ATTEST:



Deborah Wohlmut, Town Clerk

**TOWN OF FRISCO  
COUNTY OF SUMMIT  
STATE OF COLORADO  
ORDINANCE 11-13**

AN ORDINANCE APPROPRIATING SUMS OF MONEY TO THE VARIOUS FUNDS AND SPENDING AGENCIES, IN THE AMOUNT AND FOR THE PURPOSES AS SET FORTH BELOW, FOR THE TOWN OF FRISCO, COLORADO FOR THE 2012 BUDGET YEAR.

WHEREAS, the Town Council of the Town of Frisco has adopted the annual budget in accordance with the Local Government Budget Law; and

WHEREAS, the Town Council has made provision therein for revenue and reserves in an amount equal to or greater than the total proposed expenditures as set forth in said budget; and

WHEREAS, it is not only required by law but also necessary to appropriate the revenues provided in the budget for the purposes described below so as not to impair the operation of the Town of Frisco;

NOW, THEREFORE, BE IT ORDAINED BY THE TOWN COUNCIL OF THE TOWN OF FRISCO, COLORADO THAT:

The following sums are hereby appropriated from the revenues of each fund, to each fund, for the purposes stated:

**General Fund**

Current Operating Expenses	<u>\$8,023,469</u>
Total General Fund Expenses	<b>\$8,023,469</b>

**Water Fund**

Current Operating Expenses	\$ 513,531
Capital Outlay	<u>\$ 329,000</u>
Total Water Fund Expenses	<b>\$ 842,531</b>

**Conservation Trust Fund**

Current Operating Expenses	<u>\$ 27,000</u>
Total Cons Trust Fund Expenses	<b>\$ 27,000</b>

**Capital Fund**

Capital Outlay	\$ 918,500
Debt Service-L/P Agreements	<u>\$ 370,449</u>
Total Capital Fund Expenses	<b>\$ 1,288,949</b>

**Open Space Fund**

Transfers Out	<u>\$ 0</u>
Total Open Space Fund Expenses	<b>\$ 0</b>

**Insurance Reserve Fund**

Current Operating Expenses	\$ 65,000
Total Insurance Reserve Fund	\$ <b>65,000</b>

**SCHA (5A) Fund**

Capital Outlay	\$ 150,000
Current Operating Expenses	\$ 45,000
Total SCHA (5A) Fund	\$ <b>195,000</b>

**Lodging Tax Fund**

Current Operating Expenses	\$ 364,234
Total Lodging Tax Fund Expenses	\$ <b>364,234</b>

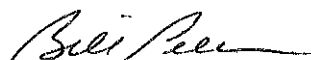
**Marina Fund**

Current Operating Expenses	\$ 592,463
Debt Service	\$ 132,000
Capital Outlay	\$ 290,000
Total Marina Fund Expenses	\$ <b>1,014,463</b>

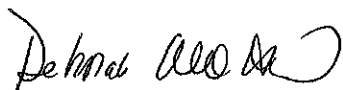
INTRODUCED, READ AND ORDERED PUBLISHED AND POSTED ON ITS FIRST READING THIS 25th DAY OF OCTOBER 2011.

ADOPTED ON SECOND AND FINAL READING AND PUBLICATION BY TITLE ORDERED THIS 8<sup>TH</sup> DAY OF NOVEMBER 2011.

TOWN OF FRISCO:

  
\_\_\_\_\_  
Bill Pelham, Mayor

ATTEST:

  
\_\_\_\_\_  
Deborah Wohlmut, Town Clerk

**TOWN OF FRISCO  
COUNTY OF SUMMIT  
STATE OF COLORADO  
ORDINANCE 11-14**

AN ORDINANCE APPROPRIATING ADDITIONAL SUMS OF MONEY TO DEFRAID EXPENSES IN EXCESS OF AMOUNTS BUDGETED FOR THE TOWN OF FRISCO, COLORADO FOR THE 2011 BUDGET YEAR.

WHEREAS, the Town of Frisco, Colorado wishes to make supplemental appropriations to the funds listed below for the 2011 budget year; and

WHEREAS, funds are available from unappropriated and unanticipated revenues and unappropriated fund balances; and

WHEREAS, the funds listed below received monies that were unappropriated and unanticipated; and

WHEREAS, the supplemental appropriations for completion of capital projects in the Marina Fund in Section 1 were previously approved by Town Council in the 2010 budget; and

WHEREAS, the Council realizes that operations at the Marina are subject to many factors outside Town control, such as weather and water levels, and that some projects can only be completed when favorable conditions exist; and

WHEREAS, the Council realizes that, at the time the 2011 budget was prepared, there was uncertainty of those favorable conditions and, therefore, unexpended amounts from 2010 were not carried over to 2011; and

WHEREAS, the supplemental appropriation for merchandise in the Lodging Tax Fund in Section 2 results from increased visitations, expanded merchandise offerings at the Visitor Information Center and cost savings associated with buying in larger quantities.

NOW, THEREFORE, BE IT ORDAINED BY THE TOWN COUNCIL OF THE TOWN OF FRISCO, COLORADO THAT:

Section 1. Supplemental appropriation to the Marina Fund for unappropriated expenditures are shown below:

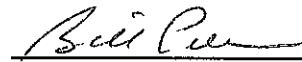
	<b>Expenditures</b>	<b>Revenues</b>
Capital Projects	\$120,000	
Fund Balance		\$120,000

Section 2. Supplemental appropriation to the Lodging Tax Fund for unappropriated expenditures and unanticipated revenues are shown below:

	<b>Expenditures</b>	<b>Revenues</b>
Merchandise	\$ 5,000	
Lodging Tax		\$4,600
Fund Balance		\$ 400

INTRODUCED, READ, AND ORDERED PUBLISHED AND POSTED ON ITS FIRST READING THIS 8<sup>TH</sup> DAY OF NOVEMBER 2011.

TOWN OF FRISCO:



Bill Pelham, Major

ATTEST:



Deborah Wohlmuth, CMC  
Town Clerk

**TOWN OF FRISCO  
COUNTY OF SUMMIT  
STATE OF COLORADO  
RESOLUTION 11-15**

A RESOLUTION SUMMARIZING EXPENDITURES AND REVENUES FOR EACH FUND AND ADOPTING A BUDGET FOR THE TOWN OF FRISCO, COLORADO FOR THE CALENDAR YEAR BEGINNING JANUARY 1, 2012 AND ENDING DECEMBER 31, 2012

WHEREAS, the Town Council of the Town of Frisco received a proposed budget on September 30, 2011, in accordance with the Local Government Budget Law; and

WHEREAS, upon due and proper notice, published and posted in accordance with the law, said proposed budget was open for inspection by the public at the Office of the Finance Director; and

WHEREAS, in reference to the aforementioned publication requirements, interested taxpayers were given the opportunity to file or register any objections to said proposed budget and final comment will be accepted at the Public Hearing on November 8, 2011; and

WHEREAS, for any increase in expenditures, like increases were added to revenues and reserves so the budget remains in balance, as required by law;

NOW, THEREFORE, BE IT ORDAINED BY THE TOWN COUNCIL OF THE TOWN OF FRISCO, COLORADO THAT:

Section 1. The estimated expenditures (including Interfund transfers) for each fund are as follows:

General Fund	\$ 8,023,469
Capital Fund	\$ 1,288,949
Conservation Trust Fund	\$ 27,000
Water Fund	\$ 842,531
Marina Fund	\$ 1,014,463
Lodging Tax Fund	\$ 364,234
SCHA (5A) Fund	\$ 195,000
Open Space Fund	\$ 0
Insurance Reserve Fund	\$ 65,000
Total Expenditures	<b>\$11,820,646</b>

Section 2. The estimated revenues for each fund are as follows:

<b>General Fund</b>	
Unappropriated surplus (reserves)	\$ 2,541,651
Sources other than property taxes	\$ 7,836,990
General property tax levy	<u>\$ 128,000</u>
Total General Fund revenues	<b>\$10,506,641</b>
<b>Capital Fund</b>	
Unappropriated surplus (reserves)	\$ 2,860,078
Sources other than property taxes	<u>\$ 1,545,689</u>
Total Capital Fund revenues	<b>\$ 4,405,767</b>

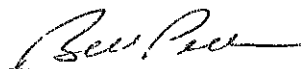
<b>Conservation Trust Fund</b>	
Unappropriated surplus (reserves)	\$ 16,884
Sources other than property taxes	<u>\$ 27,250</u>
Total Conservation Trust Fund revenues	<b>\$ 44,134</b>
<b>Water Fund</b>	
Unappropriated surplus (reserves)	\$ 3,669,615
Sources other than property taxes	<u>\$ 975,600</u>
Total Water Fund revenues	<b>\$ 4,645,215</b>
<b>Marina Fund</b>	
Unappropriated surplus (reserves)	\$ 524,034
Sources other than property taxes	<u>\$ 845,600</u>
Total Rev & Sales & Use Tax Capital rev	<b>\$ 1,369,634</b>
<b>Lodging Tax Fund</b>	
Unappropriated surplus (reserves)	\$ 167,987
Sources other than property taxes	<u>\$ 302,900</u>
Total Lodging Tax Fund revenues	<b>\$ 470,887</b>
<b>SCHA (5A) Fund</b>	
Unappropriated surplus (reserves)	\$ 357,695
Sources other than property taxes	<u>\$ 182,500</u>
Total SCHA (5A) Fund revenues	<b>\$ 540,195</b>
<b>Open Space Fund</b>	
Unappropriated surplus (reserves)	\$ 110,982
Sources other than property taxes	<u>\$ 1,000</u>
Total Open Space Fund Revenues	<b>\$ 111,982</b>
<b>Insurance Reserve Fund</b>	
Unappropriated surplus (reserves)	\$ 197,976
Sources other than property taxes	<u>\$ 2,300</u>
Total Insurance Reserve Fund revenues	<b>\$ 200,276</b>
<b>Total Revenues &amp; Reserves</b>	<b>\$ 22,529,731</b>

Section 3. That said budget as submitted and summarized by fund is hereby approved and adopted as the budget for the Town of Frisco for 2012.

Section 4. That the budget hereby approved and adopted is made part of the public record of the Town of Frisco, Colorado.


INTRODUCED, READ AND ORDERED PUBLISHED AND POSTED ON ITS FIRST AND FINAL READING THIS 8th DAY OF NOVEMBER 2011.

TOWN OF FRISCO:



Bill Pelham, Mayor

ATTEST:



Deborah Wohlmut, Town Clerk

**TOWN OF FRISCO**  
Financial Policies

---

**F-1 SUBJECT: FINANCIAL POLICIES**

---

**PURPOSE:**

The financial planning and subsequent budgeting shall be based upon the following policies:

**1. Financial Planning Policies**

The Town of Frisco Home Rule Charter mandates a capital improvement budget be submitted to Council concurrent with the fiscal year budget. The Town's financial planning will be designed to ensure the delivery of needed services as defined by the Town's Master Plan, Strategic Plan and other plans as may be adopted from time to time. This planning will recognize the effects of economic cycles on the demand for services and the Town's revenues. The financial planning and subsequent budgeting for all funds shall incorporate the following practices:

- a. Long Range Capital Improvement Plans – The evaluation and monitoring of the impacts of regional and national economics on the Town's local economy is necessary to support the Council and the community in decisions they make regarding Town services. Annually, the Town will prepare a long-range capital improvement plan for each operating fund. The following long range capital improvement plan section of this policy provides detailed procedures for preparing these plans.
- b. Revenue Estimates – Revenue estimates shall be prepared on a conservative basis to minimize the possibility that economic fluctuations could imperil ongoing service programs during the budget year.
- c. Contingencies – Expenditure estimates will anticipate foreseeable contingencies.
- d. Proven Methods – The Town will constantly test both its planning methodology and use of planning tools in order to provide information that is timely, accurate and widely disseminated to users throughout the Town.
- e. Reserves – The plans will include reserves for operations, debt service coverage and asset replacement, in addition to any reserves required by Council resolution.

**LONG RANGE CAPITAL IMPROVEMENT PLANS**

The purpose of long range capital improvement plans is to allow the Council and citizens an opportunity to evaluate the impact of the financial needs of requested programs on the regional economy and to coordinate funding needs with all funds. In order to engage in strategic financial and management planning, the Town will closely evaluate and monitor both regional and national economic changes. To meet these needs, it shall be Town policy to prepare 5-year long range capital improvement plans.

## **Definitions:**

Capital improvements shall be defined as major projects undertaken by the Town of Frisco that are generally not recurring on a yearly basis and will fit within one or more of the following categories:

1. All projects requiring debt obligation or borrowing
2. Any acquisition or lease of land
3. Purchase of major equipment or vehicles valued in excess of \$5,000 with a life expectancy of two years or more
4. Construction of new buildings or facilities including engineering, design and other pre-construction costs with an estimated value of \$5,000 or more
5. Major building improvements that are not routine expense and substantially enhance the value of the structure
6. Major equipment or furnishings required to equip new buildings or other projects
7. Major studies requiring the employment of outside professional consultants costing in excess of \$5,000
8. Replacement of existing facilities with a life expectancy of more than five years

## **Policies:**

The planning, funding and maintenance of all capital projects shall be based on the following policies:

- The Town will maintain a strong bond rating that is consistent with other Town goals.
- The Capital Improvement Fund budget development process will provide for the full participation of any citizen committee appointed by Town Council.
- As part of the annual Capital Improvement Fund budget, the Town will identify and include full costs of future maintenance needs and operating costs of new capital facilities and equipment prior to funding. All capital projects will identify the maintenance requirements in terms of staffing, supplies and services.
- Town staff will identify the estimated costs and potential funding sources for each capital project proposal before it is submitted to Council for approval; this will include capital construction as well as ongoing maintenance.
- The Town will identify the ongoing costs and benefits that may be associated with each capital project to determine its effect on other Town policies and the community as a whole.

## **Content:**

The five- year capital program will contain a concise summary of proposed capital improvements, equipment and associated maintenance and/or operating costs. The plan must disclose revenue and expenditure assumptions, identify required project staffing levels and have appropriate supporting information as to its necessity and impact.

## **Responsibilities and Reporting:**

Department heads and the Finance Department will share responsibility for the preparation of the five-year financial plans for capital improvements. The Town Manager will review and approve detailed worksheets used to generate the long range plans. The Finance Department will assist in developing appropriate systems to monitor and update the long range plans.

Town staff will continually update the long range plans when any significant change is anticipated. The Town Manager may distribute the long range plans to the Council at any time. The long range plans will be submitted to the Council for approval concurrent with the proposed annual budget.

## **2. Budget Policies**

Town staff is responsible for preparing, monitoring and reporting on the Town's annual budget. This function is fulfilled in compliance with the Home Rule Charter and direction of the Council.

### **General Budgeting Policies:**

- The Town's fiscal year is January 1 through December 31 and the Town legally appropriates its budget on an annual basis.
- The Town will present a balanced budget to Council; the Town will pay for all current expenditures with current revenues and appropriated fund balances and present and administer a balanced budget.
- Staff will identify programs to increase efficiency in order to provide long- term cost savings to the Town.
- Town staff will view investments in people and resources as long term to encourage productivity for today and the future.
- Town staff will explore ways to share staff, training resources and equipment and supplies in order to utilize current resources in a more efficient manner.
- Town staff will strive to meet the plan objectives of the *Clean Tracks* framework to encourage energy efficiency.
- Any proposals to add new or increase existing services will be presented with revenue alternatives to fund or subsidize such new service levels.
- The budget will provide adequate maintenance and orderly replacement of capital plant and equipment.

Each year the Staff will prepare the annual budget using Council direction and goals as set forth in the Town's Master Plan, Town Council Strategic Plan and other plans as they become adopted.

### **Budget Preparation Policies:**

- The Finance Director shall be responsible for preparing a budget schedule in order to present the Budget Resolution to Council at the first regular Council meeting in November as required by Town Charter.
- The Town Manager shall review details of each department/fund proposed budget for efficiency and compliance with Council direction.
- Town Council shall approve all new full time position requests and requested expenditures from each department and fund.
- The budget document shall be prepared based on guidelines identified by the Government Finance Officers Association (GFOA), beginning with an introduction to the budget and followed by more detailed information presented by fund and department.
- The budget process shall encourage full participation of the public and ensure opportunities for public hearings and citizen participation.
- To provide citizens additional opportunities for input regarding the proposed budget, open public hearings shall be held at regularly scheduled Town Council meetings and work sessions as required by the Town's Home Rule Charter.
- The Town shall adopt the budget in accordance with State, Home Rule Charter and other requirements and certify the mill levy to the County by the required date.
- Groups requesting grants from the Town shall provide a copy of their approved 501(c)3 status, in addition to other information requested as determined by Town Staff and Council. Council will approve specific grants for qualified applicants.
- The Town shall maintain an accounting system to monitor the budget throughout the year. This system shall provide reports and inquiry access to be used by Staff.
- The Finance Department will prepare monthly reports for Council which will include information comparing actual to budgeted expenditures.
- The Mayor or Town Manager may approve expenditures in excess of the approved budget in the case of an

emergency such as a natural disaster, accident or unforeseen event. If possible, the Mayor and Council will be notified of major incidents before emergency expenditures are approved.

- Town staff may present requests to amend the approved budget throughout the year, only after it has been determined by Staff that there are no savings available from other previously approved budget items. The Finance Department will prepare an appropriation ordinance at year end officially amending the budget. Departments may expend amended amounts after Town Council approval and before adoption of the appropriation ordinance.

### **3. Accounting, Auditing and Financial Reporting Policies**

The Town will maintain a system for financial monitoring, control and reporting for all operations, funds and agencies in order to provide effective means to ensure that overall Town goals and objectives are met and to instill confidence in the Town's partners and investors that the Town is well -managed and fiscally sound.

#### **Accounting and Auditing Policies:**

- The Town will maintain its accounting records and report on its financial condition and results of operations in accordance with State and Federal law and regulations and generally accepted accounting principles (GAAP).
- Annually, an independent firm of certified public accountants will perform a financial and compliance audit of the Town's financial statements.
- The Town will maintain an internal control structure consisting of the following three elements:
  1. Control Environment – an overall attitude and awareness of actions as they influence the Town.
  2. Accounting System – an effective accounting system which will result in identification and recording of all valid transactions, description on a timely basis of the type of transaction in sufficient detail to permit proper classification of the transaction for reporting purposes, recording of the transaction in the correct time period and proper presentation of all transactions and related disclosures in the financial statements.
  3. Control Procedures – proper authorization of transactions and activities, adequate segregation of duties, adequate documentation and records, adequate safeguards regarding access and use of assets and records, and independent checks on performance.
- The Town will minimize the number of funds, departments, programs and account codes; funds will be categorized by standard GAAP functional classifications; and development of new funds, departments, programs and accounts shall be approved by the Finance Department.
- Each fund in the Town's budget will have an introductory statement of purpose which shall consist of the intent of the fund; sources of revenue and restricted revenues, if any; size and use of contingency, if any; required reserves and justification for such reserves.

#### **Reporting Policies:**

The Finance Department will provide various reports on a monthly basis to Town Council, the Town Manager and Department Directors in order to provide direction and guidance on the Town's financial condition. These reports shall contain information to allow users to compare actual financial results to budget, assess changes in fund balances, determine compliance with laws, rules and regulations and assist with evaluating efficiency and effectiveness.

## **Purchasing Policies:**

The Town of Frisco recognizes the need to use outside sources for providing professional services, constructing capital projects, procuring supplies and equipment and providing services for day-to-day operations and maintenance. The Town will follow the below listed policies in making purchasing decisions.

- The Town encourages use of Town issued purchasing cards whenever possible. See the Town's purchasing card policy attached.
- Chapter 9 of the Town of Frisco Code of Ordinances specifies bidding procedures and contract formation. A copy of Chapter 9 is attached.
- The Town shall take advantage of payment discounts whenever possible.
- Invoices shall be mailed directly to the Finance Department and then routed to the appropriate department for account coding, department head approval, and assurance of adequate budget.
- The Finance Department will provide a monthly warrant list to Town Council for approval.

## **Revenue Policies:**

The Town will consider its revenues as a group rather than in isolation. The Town is sensitive to the balance between the need for services and the Town's ability to raise fees, charges and taxes to support Town services. Revenues and rates in the annual budget and the long-range plans will be based on the following policies:

- Charges for services that benefit specific users should recover full costs, although competing Town policies may dictate a subsidy for a portion of the costs of such services.
- The Town shall strive to diversify its revenues in order to maintain needed services during periods of declining economic activity.
- The Town will use as efficiently as possible the resources that it already collects.
- The Town will collect as efficiently as possible the resources to which it is already entitled by minimizing receivables and following an aggressive collection policy.
- The Town will seek new resources consistent with the policies in this document and other Town goals.
- As part of the annual budget process, major revenue generating proposals will contain an evaluation of the impact on the community. Such evaluation shall be based on prior year circumstances and include all local taxation and fees, not merely the specific service fee or tax proposal.
- The Town will estimate its annual revenues by objective and analytical processes.
- The Town will maintain compliance with legal revenue restrictions as identified by voters.

## **4. Financial Operating Policies**

The Town will contain its expenditures to current revenues and any appropriated reserves, establish and adequately fund reserves, regularly monitor and report on budget performance, evaluate the fiscal impact of new proposals, operate as efficiently as possible and constantly review Town services for appropriateness and effectiveness. When the other Financial Policies fail to address a specific issue, financial operating policies will be reviewed for direction.

- Current revenues and any appropriated reserves will exceed current expenditures; each Town fund budget must identify ongoing resources that at least match expected ongoing annual requirements.
- Town staff will maintain a system of financial monitoring and control, the major components being a fiscal impact analysis of each significant action of the Town, preparation of financial status reports on the revenues and expenditures to date and budgetary control systems which identify actual to budget variances.
- The Town will maintain cash reserves in order to avoid borrowing for general operating purposes.
- The Town will maintain accurate inventories of capital assets, their condition, life span and cost.

- The staff will develop, maintain and constantly seek to improve cash- management systems which ensure the accurate and timely accounting, investment and security of all cash assets.
- The Town shall review its services and programs periodically in order to reduce needless competition with other public and private providers and to ensure the most cost-effective and efficient provision of services.
- An effective and comprehensive periodic service needs assessment will be conducted in order to ensure that Town service priorities keep pace with the dynamic needs of the community. The results of this needs assessment will be approved by the Town Council and may become an integral part of the budget and financial planning of the Town.
- The Town encourages recycling and environmental concerns; when all other factors are the same, the Town encourages staff to purchase recycled products provided the cost is within 10% of other bids.

## **5. Reserve Policies**

The Town of Frisco recognizes the potential for revenue shortfalls in a tourist-based economy and the need for stability in operations during times of economic downturns or emergency situations. For those reasons, the Town has resolved to maintain the following reserves, based upon operating expenditures:

General Fund--9 month reserve

Marina Fund--4 month reserve

Water Fund--4 month reserve

Amounts in excess of the 9 month reserve in the General Fund, if any, are required to be transferred to the Capital Improvement Fund.

Additionally the Town established an Insurance Reserve Fund to maintain a six month reserve, based upon health insurance expenditures, to cover substantial insurance claims and unforeseen increases in the cost of providing health insurance for employees.

The Town places a priority on maintaining these reserves. Should a deficit exist in a fund with a required reserve, Town Council will identify a specific fund to offset the deficit and establish a plan to increase the reserve in that fund. Town Council may require additional reserves on an individual fund basis or may temporarily suspend reserve requirements, should economic conditions dictate such action.

## **6. Debt Policies**

Long term debt is a liability that places a future contractual or other obligation against future revenues of the Town, such as liabilities arising from bonds, lease purchase agreements and installment purchase contracts. The Town of Frisco has established the following debt policies:

- The Town will confine long term borrowing to capital improvements or projects that cannot be financed from current revenues.
- The Town will not use long term debt for current or annual operations.
- The Town will maintain good communications with bond rating agencies regarding its financial condition, following a policy of full disclosure on every financial report and bond prospectus. The Town will maintain a strong bond rating that is consistent with other Town goals.
- The Town will review its legal debt limitation established by the State and Town Charter at least annually. Debt limits will be included in the statistical section of the Town's Comprehensive Annual Financial Report.
- The Town will annually review its debt, taking into consideration current market rates and future cash flows.



## **GOVERNMENT PROCUREMENT CARD**

### **POLICY AND PROCEDURE MANUAL**

September 2010

**TABLE OF CONTENTS**

**Welcome to the Program** . . . . . 3

**Program Contacts** . . . . . 3

**Lost or Stolen Card Reporting** . . . . . 3

**Cardholder Responsibilities** . . . . . 3

**Department Head Responsibilities** . . . . . 3

**Purchasing Limits** . . . . . 4

**Authorized & Unauthorized Purchases** . . . . . 4

**Selecting a Merchant** . . . . . 4

**Placing an Order** . . . . . 5

**Returns and/or Exchanges** . . . . . 5

**Documenting Transactions** . . . . . 5

**Statement of Account** . . . . . 6

**Disputes** . . . . . 6

## Welcome to the Town of Frisco's Procurement Card Program!

We hope you find this Procurement Card (P-Card) to be helpful in conducting everyday purchases for the Town. Please do not hesitate to ask questions regarding any aspect of the P-Card program. We welcome your input and suggestions for improvement of this program.

### Program Contacts

#### Enrollment/General Questions/Disputes

Procurement Card Program Administrator

Peggy Faessen, Finance Department

668-9136 or extension 3039

[peggyf@townoffrisco.com](mailto:peggyf@townoffrisco.com)

Accountant

Dylan Olchin

668-9137 or extension 3045

[dylano@townoffrisco.com](mailto:dylano@townoffrisco.com)

Finance Director

Bonnie Moinet

668-9138 or extension 3042

[bonniem@townoffrisco.com](mailto:bonniem@townoffrisco.com)

### **LOST OR STOLEN CARD REPORTING**

**Cardholders shall report a lost or stolen card immediately to UMB Bank at (800) 821-5184 and the P-Card Program Administrator at 668-9136.**

### **Cardholder Responsibilities**

- Cardholders are responsible for making purchases of authorized goods within the Town's procurement policies and the guidelines set forth in this document and any subsequent revisions.
  - Taking advantage of all discounts, rebates, store coupons.
  - Ensuring that all eligible purchases are tax exempt.
  - Confirming that original merchant documentation is complete and available for every transaction. If you have lost original documentation, contact the merchant directly to provide it. If the merchant will not provide the documentation, you must provide the following information and a justification for the purchase and the loss of documentation:
    - Description and quantity of each item purchased
    - Total cost of the order
    - Per item cost if available from the merchant
    - Cardholder name and/or card number
- Lack of original documentation is considered to be a cardholder violation.

### **Department Head Responsibilities**

- Responsible for setting cardholder monthly limits
- Reviewing the monthly Statement of Account for each cardholder under their account.
- Signing off on each Statement of Account
- Recording any violations in their P-Card program
- Taking appropriate action for such violations
- Informing the P-Card administrator of cardholder transfer or terminations.

### **Purchasing Limits**

- Each Cardholder will have a monthly spending limit assigned by the Department Head.
- Cardholders are responsible for ensuring that funds are available to pay for all purchases that they request.
- Should the Cardholder require a higher spending limit for a particular time period, a request should be sent to the P-Card Administrator.
- Supplies purchased must be immediately available for delivery from the merchant. No backordering is allowed. The merchant must deliver all items purchased by telephone within the 30-day billing cycle. The order should not be placed without this assurance.

## Security of Cards

To prevent unauthorized P-Card use:

- Safeguard cards and card numbers.
- Prohibit others from using your P-Card.
- The unique design and color of the Town P-Card was selected as a safeguard against accidental use for personal purchases.

## Authorized Purchases

The P-Card may be used to purchase authorized supplies and equipment from authorized sources up to the individual cardholder monthly limit.

## Education and Travel Related Authorized Purchases

Authorized purchases include registration fees, airline reservations, ground transportation, tolls, parking expenses, lodging and meals. Registrations, hotel and air travel may be paid once all documentation is signed and approved by the department head. Detailed receipts for all registrations, lodging and travel expenses must be retained and submitted with the P-Card statement. Cardholders are responsible for ensuring that eligible all in-state travel expenses are tax exempt.

## Meal Expenses – Colorado

Whenever possible, Town employees should use their P-Cards to purchase meals while traveling on Town business. The Town will provide a per diem meal allowance based on the following schedule for employees who are required to travel for education or other purposes within Colorado:

Breakfast-\$10.00                  Lunch-\$15.00                  Dinner-\$25.00

The meal allowance amount includes any gratuities. Employees are responsible for ensuring that the Town's tax exempt status is honored for meals purchased.

Travelers are expected to adjust the per diem for individual meals based on their travel schedule, and the time of departure and return. In addition, Town staff members are expected to adjust the per diem for any meals that are included in education registration fees. If unable to use the P-Card for any meal expenses, employees must retain all itemized receipts and submit these for reimbursement up to the per diem amount per meal.

Meal purchases include food and non-alcoholic beverages only. **The purchase of alcoholic beverages is expressly prohibited.** Detailed receipts for all meal purchases must be retained and submitted with the P-Card statement.

## Meal Expenses – Outside of Colorado

For out of state travel, the Town uses the IRS per diem rates. Please contact the Finance Department for the individual meal per diem for the area to which you are traveling. All policies for meal expense purchases apply to out of state travel. The Town's tax exempt status is not valid outside the State of Colorado.

## Unauthorized Purchases

Cash advances are strictly prohibited  
Personal Services  
Purchases of alcoholic beverages and tobacco

## Purchases Requiring Authorization

Information Technology Purchases  
Software Licensing

Deborah Wohlmuth [deborahw@townoffrisco.com](mailto:deborahw@townoffrisco.com)

## Selecting a Merchant

- Priority should be given to merchants that offer discounts to the Town.
- Local vendors should be selected whenever possible, if pricing is comparable.
- When all other factors are the same, purchases are encouraged to be of **recycled materials** provided the cost is within 10% of other similar products. **Be sure to look for the following:**
  - Products with recycled content ("post-consumer" recycled content is preferable)
  - Products with the Energy Star label
  - Products with reduced packaging
  - Products that can be reused
  - Energy efficiency

- Products that are biobased/organic based (versus petroleum based solvents, etc.)
- Products are labeled “compostable”
- Vendor does not accept Visa:  
You will need to choose different merchant or choose another payment method.  
If you frequently do business with this merchant, contact the P-Card Administrator for assistance.

### **Placing an Order**

- You may place your order in person, by phone, fax computer or mail.
- Inform the merchant that the purchase is tax exempt. Our tax exempt number is printed on your card.
- Remind the merchant that the purchase is for local government and should be accorded any applicable discounts.
- Give your name as it appears on the card.
- Request documentation showing description and cost of items.
- Notify vendors not to submit invoices to accounts payable.
- COD deliveries are not allowed.
- If the vendor needs an official tax exempt certificate, contact the P-Card Administrator to have this information faxed to the vendor.

### **Returns and/or Exchanges**

- Make arrangements with the merchant **before** shipping an item for return.
- The merchant must credit a return and charge a new transaction. Exchange of like items (e.g., different color) may not require a credit transaction.
- It is a merchant violation to refund cash for a credit return. Do not allow merchants to do this. It is a cardholder violation to accept cash instead of a credit to the account.
- Document all returns and exchanges. This information may be needed for a formal dispute.

### **Receive and Inspect Good and Services**

- Inspect all goods and services immediately upon receipt or completion of service. If there is a problem with the order or the service conducted, contact the merchant immediately. Keep notes on problems and their resolution including names, dates and conversation results.

### **Documenting Each Transaction**

Every transaction must have valid and complete source documentation from the merchant, including Internet purchases.

Valid source documentation may be:

- A receipt and card transaction slip from the merchant
- Order forms for dues, registrations or similar items.
- An invoice showing credit card payment

All documentation must include the following information:

- Vendor Identification (Merchant name)
- Date the purchase was made
- Pricing for each item
- Order total including shipping/handling costs

### **Cardholder Statement of Account**

A Statement of Account will be provided to each Cardholder who has transactions during the billing cycle. Documentation with coding to include department number and account number should be attached to the Statement and submitted to the appropriate department head for approval and signature. Approved Statements are turned in to the finance department.

## Disputes

- Vendors are not permitted to bill a purchasing account until the goods or services are delivered.
- The cardholder is responsible for contacting and following up with the vendor on any erroneous charges, disputed items or returns as soon as possible. Most issues can be resolved this way.
- If the cardholder is unable to reach an agreement with the vendor, the next step is to contact the P-Card Administrator.
- The P-Card Administrator will request the cardholder to complete a Vendor Dispute Form. The dispute form will then be forwarded to UMB Bank for resolution with the vendor. **Never contact UMB for a dispute first.**
- The UMB Bank must be notified of any disputed items within 60 days of the last cycle in which the item was purchased.
- Disputed billing can result from the following:
  - Failure to receive goods or materials
  - Fraud or misuse
  - Altered charges, incorrect amounts, duplicate charges
  - Defective merchandise credits not processed, etc.

In the event of **fraud** notify the P-Card Administrator immediately.

## VIOLATIONS AND CONSEQUENCES

**The Purchasing Card that a Cardholder receives has his or her name embossed on it. No other individual may use this card. It has been specifically designed so that it will not be confused with personal credit cards. This card must not be use for personal purchases.**

### Personal Purchases or Cash Type Transactions

- The Town of Frisco must be reimbursed immediately.
- Card Cancellation.
- Violation of this policy may be investigated and could result in termination and/or criminal prosecution. In the event of willful or neglect default of this obligation, the Town shall take any recovery action deemed appropriate, as permitted by law.

### Inappropriate Purchases/Failure to Provide Original Documentation

- A written warning and an investigation may be conducted for inappropriate purchases.
- Cardholders will be required to obtain additional training on use of the program.
- Continued misuse will result in cancellation of the card.

# BIDDING PROCEDURES AND CONTRACT FORMATION

## Chapter 9

### BIDDING PROCEDURES AND CONTRACT FORMATION

- § 9-1. Formal Bidding Required.
- § 9-2. Purchasing.
- § 9-3. Bid Specifications.
- § 9-4. Publication Requirements.
- § 9-5. Competitive Bids.
- § 9-6. Rejection of Bids; Waiver of Formalities.
- § 9-7. Local Preference.
- § 9-8. Recycled Product Purchases.
- § 9-9. Coordinated Government Purchases.
- § 9-10. Emergency Purchases.
- § 9-11. Authority to Promulgate Policy.

[HISTORY: Adopted by the Board of Trustees of the Town of Frisco 1-3-89, Ord. 88-11. Amendments noted where applicable. Repealed and re-enacted in its entirety 5-24-05, Ord. 05-12]

#### ARTICLE 1 General Provisions

##### § 9-1. Formal Bidding Required. [Amended 7-10-07, Ord. 07-11]

The Town recognizes the need to use outside sources for providing professional services, constructing capital projects, procuring supplies and equipment and providing services for day-to-day operations and maintenance. Except as otherwise set forth in subsection 9-3.F of this Chapter, contracts for such services, supplies and equipment in excess of fifty thousand dollars (\$50,000) shall be awarded through the formal competitive bid process as set forth in this Chapter

##### § 9-2. Purchasing.

Selection of vendors, contractors or consultants will be based on one or more of the following criteria:

- A. Past experience with the Town,
- B. Knowledge of the Town and region,
- C. Philosophy regarding the nature of the project,

## BIDDING PROCEDURES AND CONTRACT FORMATION

- D. Availability of time,
- E. Quality of product, service, material, maintenance and/or warranties,
- F. Price, and
- G. Such other criteria as provided in the invitation for bids, if applicable.

### **§ 9-3. Bid Specifications. [Amended 7-10-07, Ord. 07-11]**

- A. Department managers are authorized to make purchases ranging in cost from zero dollars (\$0.00) to nine thousand nine hundred ninety-nine dollars and ninety-nine cents (\$9999.99) for services, supplies and/or equipment approved in the budget.
- B. Department managers are authorized to make purchases ranging in cost from ten thousand dollars (\$10,000.00) to twenty-four thousand nine hundred ninety-nine dollars and ninety-nine cents (\$24,999.99) for services, supplies and/or equipment approved in the budget after receiving verbal quotes for such services, supplies and/or equipment.
- C. Department managers are authorized to make purchases ranging in cost from twenty-five thousand dollars (\$25,000.00) to forty-nine thousand nine hundred ninety-nine dollars and ninety-nine cents (\$49,999.99) for services, supplies and/or equipment approved in the budget after receiving written quotes for such services, supplies and/or equipment.
- D. Department managers are authorized to make purchases ranging in cost from fifty thousand dollars (\$50,000.00) to ninety-nine thousand nine hundred and ninety-nine dollars and ninety-nine cents (\$99,999.99) for services, supplies and/or equipment approved in the budget after soliciting competitive bids for such services, supplies and/or equipment.
- E. If a purchase is outlined in the budget and the amount of the purchase exceeds one hundred thousand dollars (\$100,000), the department manager shall bring the purchase request before Council in the form of a Resolution after soliciting competitive bids for such purchase.
- F. Town Council is authorized to approve contracts for any amount, without a competitive bidding process, for goods or services that, in the opinion of Council, are best obtained from a single or sole source due to one (1) or more factors including, but not limited to, specialized skills, special knowledge and/or experience, unique and relevant experience, knowledge of the Town and geographic region, or exceptional qualifications or reputation in the field. When authorizing such contracts, Council shall by motion, resolution or ordinance describe the factors that cause it to approve such contract without a competitive bidding process.

## BIDDING PROCEDURES AND CONTRACT FORMATION

### **§ 9-4. Publication Requirements.**

When competitive bids are required as set forth in Section 9-3 of this Chapter, an "invitation to bid" shall be published in a local newspaper of general circulation at least fifteen (15) days but not more than forty-five (45) days from the bid deadline. The invitation to bid shall include an adequate description of the services, supplies and/or equipment to be purchased. Bids shall be opened publicly at the time and place designated in the invitation for bids. The amount of each bid and such other relevant information as may be specified by Town policy, together with the name of each bidder, shall be entered on a record and open for public inspection. The Town shall not be obligated to select the lowest bidder, but shall select based on the criteria established in this Chapter and in the invitation to bid.

### **§ 9-5. Competitive Bids.**

When substantially similar bids are received from different bidders for identical services or products, the Town will offer those bidders the opportunity to re-bid. When two or more bids are substantially similar, and the bidders have had the opportunity to re-bid, the Town will give preference in awarding the contract either to a local bidder (as such term is defined in section 9-7 of this Chapter) or to a bidder with whom the Town has previously contracted.

### **§ 9-6. Rejection of Bids; Waiver of Formalities.**

The Town of Frisco reserves the right to reject any or all bids or waive any formalities in whole or in part. In the event that the contract is awarded to other than the lowest qualified bidder, written justification shall be supplied.

### **§ 9-7. Local Preference.**

At the Town Manager's discretion, based upon the vendor criteria set forth in Section 9-2, bids solicited from local bidders pursuant to this Chapter may receive preference. In order for a local bidder to be awarded a contract pursuant to this section 9-7, the bid, if received from a Frisco-based bidder, shall not be more than ten percent (10%) higher than that of the lowest qualified bidder, and if received from a Summit County, Silverthorne, Dillon or Breckenridge-based bidder, shall not be more than five percent (5 %) higher than that of the lowest qualified bidder.

For purposes of this Chapter 9, "local bidder" is defined as any person, partnership, limited liability company, corporation or association who has been a bona fide resident of Frisco, Summit County, Silverthorne, Dillon or Breckenridge for one (1) year or more immediately prior to submitting a bid.

### **§ 9-8. Recycled Product Purchases.**

## BIDDING PROCEDURES AND CONTRACT FORMATION

The Town encourages recycling and supports environmental concerns. When all other factors are the same, the department managers are encouraged to purchase recycled products provided the cost is within 10% of other bids.

### **§ 9-9. Coordinated Government Purchases.**

In the event the Town of Frisco can coordinate budgeted purchases for providing professional services, constructing capital projects, or procuring supplies and equipment in conjunction with other Summit County government agencies, and such coordination results in lower costs and furthering the intergovernmental relationship, the bidding requirements set forth herein may be waived by the Town Manager.

### **§ 9-10. Emergency Purchases.**

In the event of a natural disaster, accident or other emergency during which the health, safety or welfare of the community is at risk, the bidding requirements set forth herein may be waived by the Town Manager.

### **§ 9-11. Authority to Promulgate Policy.**

Consistent with the provisions of this Chapter, the Town Manager is authorized to promulgate policies to be utilized in making determinations pursuant to this Chapter.

This Page Intentionally Left Blank