



Town of Johnstown

TOWN COUNCIL AGENDA COMMUNICATIONS

AGENDA DATE:	April 4, 2022
SUBJECT:	Town of Johnstown Comprehensive Financial Management Policies
ACTION PROPOSED:	Approve Resolution No. 2022-12
ATTACHMENTS:	1. Resolution No. 2022-12 2. Town of Johnstown Comprehensive Financial Management Policies
PRESENTED BY:	Devon McCarty, Asst. Finance Director

AGENDA ITEM DESCRIPTION:

The goal of formally adopting financial management policies is to provide sound guidelines to ensure long-term financial stability and contribute to the overall financial strength of the Town of Johnstown. Financial policies provide written guidance for officials and staff, more specifically, they provide clarity, consistency, stability and continuity in financial operations while also serving as a framework to educate stakeholders. The ability to rely on well-defined financial policies is helpful in both avoiding and resolving conflicts, and having defined boundaries allow staff to innovate in order to realize the strategic intent. The policies were last formally adopted in 2019. It is prudent to review financial policies regularly to ensure relevance and compliance.

In the policies presented this evening, there are a number of changes including substantial revisions to the Purchasing and Grant Policies. Other changes to the document include basic grammatical and typographical corrections throughout.

Purchasing Policy changes include:

1. The Purchase Order requirement was eliminated. At the beginning of the COVID pandemic staff designed an electronic accounts payable process in an effort to shorten processing time and decrease potential cash flow problems for our vendors. The result has been a much more organized, and efficient single-step process that eliminates the need for purchase orders.
2. Section 5. Purchasing Thresholds/Authority. A table was added, replacing the data previously shown in paragraph form. The table is intended to make it easier for readers to get a clear understanding of the expectations for all purchases. The data in the table has also been updated. Purchasing thresholds and contract thresholds have been increased based on changes in federal requirements (i.e. The lowest purchase amount category has increased from \$2,500 to \$5,000 in response to the Federal government increasing the micro grant amount from \$3,000 to \$10,000.) Additional changes to the table include: the addition of Finance approval for purchases more than

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- \$10,000, the addition of detailed expectations for informal processes, contract authority was added for the Assistant Town Manager, and the addition of requirements for change orders/amendments.
3. Section 7. Bid Guidelines. This section has been reduced, with several of the processes being moved to other sections of the document. Correspondence with Vendors has been moved to the Formal Procurement Process section. The Formal Bid Notice section, Public Opening section and Technology and Advertising sections were moved to the Formal Procurement Process section and the Performance Bond section was moved to the Bonding Requirements section where all of the bond requirements are detailed.
 4. Section 8. Formal Procurement Process. The Formal Procurement Process section has been added to provide detailed guidelines for readers. The different types of formal procurement processes have been identified and explained and additional categories detailing items such as Nonresponsive Bids, Solicitation Irregularities, Rejection of Bids, and Protested Solicitation have been added to provide additional clarity to the document.
 5. Section 9. Bonding Requirements. This section on Bonding Requirements has been added. This section of the document includes the various types of bonds that may be required and provides the guidelines for those bonds.
 6. Section 11, Emergency Purchases. There was a sentence added that details the federal microgrant limits.
 7. Section 12, Exemptions from Public Bidding. CMaR projects were added to the Design Builds paragraph. A segment for Alternative Delivery Methods was also added. This section expands on the Design Build option, and adds segments for CMaR options and Public Private Partnerships. These additions allow the Town the flexibility to utilize the most beneficial method for the Town.
 8. Section 13, Contract Authority. The Amount not to Exceed was increased from \$100,000 to \$250,000. With the number of capital projects that the Town is completing, this increase simply allows for more efficient processes for contracts that have already been approved and appropriated by Council in the budget.

Grant Policy changes include:

1. There was a title change to the segment for grants, from Grants to Grants General. This is to provide a separation between the grants received from the state or other organizations and those that are federal.
2. The addition of a section for Federal Grants. This section has been added to ensure that the Town is in compliance with the Federal Regulations as the Town will be subject to a Single Audit as a result of funding that has been received as part of the Coronavirus State and Local Fiscal Recovery Funds (SLFRF). The addition of the Federal Grant section is not limited to the SLFRF funds, but will also cover the requirements that accompany other Federal grant applications and awards.

The policies that are being presented for consideration have been reviewed and updated to reflect best practice and industry standard as recommended by the Government Finance Officers Association.

LEGAL ADVICE:

The Town Attorney drafted the Resolution.

FINANCIAL ADVICE:

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Resolution 2022-12 will serve as guidance to all of the Town's financial activities.

RECOMMENDED ACTION: Approve Resolution 2022-12 adopting the revised Town of Johnstown Comprehensive Financial Management Policies.

SUGGESTED MOTIONS:

For Approval: I move to approve Resolution 2022-12 adopting the Town of Johnstown Comprehensive Financial Management Policies.

For Denial: I move to deny Resolution 2022-12 as presented.

Reviewed and Approved for Presentation,



Town Manager

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