



MEMORANDUM

P.O. Box 4100 ♦ FRISCO, COLORADO 80443

TO: MAYOR AND TOWN COUNCIL
FROM: LESLIE EDWARDS, FINANCE DIRECTOR
**RE: RESOLUTION 25-17: A RESOLUTION APPROVING THE UPDATED
FINANCIAL POLICIES OF THE TOWN OF FRISCO**
DATE: APRIL 8, 2025

Summary and Background: In February 2023, the Town Council adopted the Town's first comprehensive financial policy, consolidating existing formal and informal policies, including those for investment, budgeting, and cash handling. This policy was updated in January 2024 with minor revisions to the Cash Handling Policy and the Grants Policy.

Comprehensive financial policies ensure a strategic, long-term approach to financial management. Key benefits include:

- **Stability and Continuity:** Written policies promote consistent financial management practices.
- **Clear Strategic Direction:** Policies define how resources will be managed to best serve the community.
- **Defined Boundaries:** Policies set limits on staff actions while allowing for innovation.
- **Better Bond Ratings:** Strong policies can reduce borrowing costs.
- **Long-term Perspective:** Many policies encourage strategic, long-term thinking.
- **Risk Management:** Policies help mitigate financial risks and ensure accountability.
- **Grant Compliance:** Many grants require documented financial policies covering areas like cash management, audits, and procurement.
- **Fraud Prevention:** Well-documented policies help protect the Town from theft and misappropriation.

Analysis:

Staff continually reviews the policies in practice, addressing conflicts and making revisions as

needed to balance internal controls with real-world practicalities. The proposed updates to the Financial Policies reflect this balance.

Proposed changes to the prior version of the Town's Financial Policies are described below:

1. *Capital Improvement Definition:*

The proposed changes stem from feedback received from both the Town Council and staff. Currently, the \$5,000 threshold for capital improvements is somewhat arbitrary and has not been adjusted for inflation. While this threshold remains generally accepted within financial best practices, many other municipalities have raised their thresholds to between \$10,000 and \$50,000. Staff recommends increasing the threshold to \$25,000, which would still encompass significant equipment such as vehicles. At the January 8 Town Council Retreat, Council voiced support for this change.

2. *Update of Gender Neutral Terms:*

Any instances of "his or her" have been updated to "their" to reflect gender-neutral language.

3. *General Housekeeping:*

Several grammar corrections and the removal of redundancies have been made for clarity and readability.

Financial Impact: Implementing comprehensive financial policies is expected to strengthen the Town's financial health and protect its assets. There is no direct cost associated with the adoption of the recommended changes.

Alignment with Strategic Plan: These policies align with the Town's goals of delivering quality core services while safeguarding assets in a manner consistent with Town priorities.

Staff Recommendation: Staff recommends that the Town Council approve Resolution 25-17 to formally adopt the updated financial policy document at the April 8, 2025 Town Council meeting.

Reviews and Approvals: This report has been reviewed and approved by:

Tom Fisher, Town Manager
Diane McBride, Assistant Town Manager

Attachments:

Attachment 1 – Financial Policies
Attachment 2 – Resolution 25-17