

TOWN OF MANSFIELD  
FINANCE COMMITTEE MEETING

Monday, August 11, 2008

Audrey P. Beck Building  
Conference Room C – 6:00pm

A G E N D A

1. Approval of minutes for June 9, 2008 and July 14, 2008 meetings
2. Preliminary Yearend Results
3. Lease Purchase Resolution
4. Purchasing Rules and Regulations
5. Other Business/Future Agenda Items
6. Adjournment

TOWN OF MANSFIELD  
FINANCE COMMITTEE MEETING  
MINUTES OF JUNE 9, 2008

Present: Committee members - Carl Schaefer (Chair), Bruce Clouette, Alison Blair  
Council members – Gene Nesbitt  
Staff members - Matt Hart, Jeff Smith, Cherie Trahan  
Guests – none in attendance

The meeting was called to order at 6:05 p.m.

We began with the approval of the minutes of the May 12, 2008 Finance Committee meeting.

The next item discussed was the Dorothy Goodwin bequest of \$10,000. Since there were no stipulations on how the money was to be spent, Carl Schaefer asked if anyone had any suggestions. It was agreed that no matter how the money was spent that Dorothy Goodwin's name should be attached. Matt Hart will ask the Board of Education and the Superintendent if they have any suggestions.

Cherie Trahan reviewed the status of the current year (07/08) budget. At this time, we are anticipating that revenues will fall short of the budget by approximately \$320,000. This is primarily a shortfall in interest income, building permits and conveyance taxes. Interest rates have dropped from 5.6% in July, 2007 to 2.38% as of today. Primarily due to increases in the cost of gasoline, diesel fuel and labor attorney fees, expenditures could exceed budget by approximately \$50,000. This means that we will tap into our Fund Balance for fiscal year 07/08. Any expenditure amount over the adopted budget would require that the Council approve an additional appropriation. The primary concern, however, is our revenue shortfall and we are therefore revisiting our revenue estimates for fiscal year 2008/09 and could potentially reduce our interest income estimate by as much as \$250,000. In order to compensate for this, budget reductions will be discussed.

Jeff Smith informed the Committee that the engine in Rescue 507 has a cracked cylinder and needs to be replaced. Dave Dagon is looking into why, after only approximately 125,000 miles, would this happen. We have funds in a capital account that can be used for this repair. Jeff reminded us that we need to be aware that unexpected things like this can occur and we need to take that into consideration when budgeting for contingency.

Discussion on the budget referendum recommended the date, time and location.

Discussion on the mill rate for 2008/09 followed. Due to the interest rate decline, Matt Hart has asked the department heads to look at ways they can reduce their budgets. He has asked for list of possible reductions, including any service impacts. Jeff

reviewed ways in which we are trying to hold energy costs down. We have purchased 5 years of electricity at a fixed commodity cost. We have also purchased approximately 70% of our anticipated #2 fuel oil and diesel. It is critical that we reduce expenditures to improve our fund balance. Carl Schaefer would like the department heads to review carefully what the consequences of their reductions are. He also noted that next year our share of the Region 19 budget increase is expected to go down substantially.

Matt Hart informed the committee that he is in the process of developing an FOIA Policy. It is important to keep in mind that there is a cost associated with complying with FOIA requests so staff needs to be aware of what our legal requirements are. Matt will have it reviewed by an attorney.

Carl Schaefer would like to discuss tax assistance at a future meeting. What assistance is available and how do we make people aware of their options? A presentation will be made by staff to the Town Council on what we have in place now and what can we be doing.

Helen Koehn sent in a request for a future agenda item that we discuss how we include sustainability criteria along with lowest price purchases. Perhaps it is a simple statement in the policy to encourage staff to look at reasonable environmental impact. This item will be included on a future agenda.

Gene Nesbitt discussed how we contract for professional services and questioned whether the Council should oversee this. Jeff Smith discussed the RFP (Request for Proposal) process and that it is, in fact, done reflecting the will of the Council. Another concern is that management would not be able to react to opportunities in a timely fashion. Matt Hart reviewed our form of government (Council-Manager) and that this would be overstepping policy decisions and into administrative functions.

Lastly, Cherie distributed a listing of the UCONN water/sewer accounts as a follow up to the discussion at the April 14, 2008 meeting.

Motions:

Motion was made by Bruce Clouette and seconded by Alison Blair to accept the May 12, 2008 minutes. Motion so passed.

Motion was made by Bruce Clouette and seconded by Alison Blair to adjourn. Motion passed.

The meeting adjourned at 7:18 p.m.

Respectfully submitted,

Cherie Trahan  
Controller/Treasurer

TOWN OF MANSFIELD  
FINANCE COMMITTEE MEETING  
MINUTES OF JULY 14, 2008

Present: Committee members - Carl Schaefer (Chair), Bruce Clouette  
Council members – Helen Koehn  
Staff members - Matt Hart, Jeff Smith, Cherie Trahan  
Guests – none in attendance

The meeting was called to order at 6:08 p.m.

The meeting began with an in-depth discussion of the Manager's proposed 2008/09 budget transfers. Cherie Trahan reminded the Committee that our revenue estimate for 2008/09 is \$250,000 below our estimate when the budget was presented. In order to maintain our fund balance, we cannot spend more than we raise. Cherie reviewed each reduction item with the Committee. Matt Hart informed the committee that the staffing reductions and layoff took place on the previous Friday.

Helen Koehn questioned the layoff of the Administrative Assistant at the Senior Center and that the Council had not given any guidance in the reductions. Bruce Clouette agreed that in the future, the Council prioritize the functions in which they would prefer to see reductions or increases.

Matt Hart provided an update on MEHIP. He explained it would be a 3-year commitment and that it is a joint management/labor effort. The insurance pool as a whole would retain a Third Party Administrator to process the claims. Currently Anthem acts as our TPA.

For a future meeting, Helen requested that we review the Purchasing Policy and revise for environmental goals.

The Committee agreed to recommend acceptance of budget transfers by the Town Council. The detail of the transfers will be provided to the Council.

Motions:

Motion was made by Bruce Clouette and seconded by Carl Schaefer to adjourn. Motion so passed.

The meeting adjourned at 6:55 p.m.

Respectfully submitted,

Cherie Trahan  
Controller/Treasurer

## General Fund

## Preliminary Schedule of Estimated Changes in Fund Balance - Legal Basis

For the Year Ended June 30, 2008

Designated for 2007/2008 Budget						
Undesignated						\$ 1,769,124
Fund Balance, July 1, 2008						1,769,124
	Original Budget	Amendment	Final Budget	Estimated Actual	Budget Comparison	
Total revenues and transfers in	\$ 40,923,342	\$ 644,000	\$ 41,567,342	\$ 41,364,652	\$ (202,690)	
Appropriation of fund balance						
Total appropriation, transfers in	40,923,342	644,000	41,567,342	41,364,652	(202,690)	
Total expenditures and transfers out:						
Town	11,773,910	644,000	12,417,910	12,412,675	(5,235)	
Mansfield Board of Education	19,839,620		19,839,620	19,585,812	(253,808)	
Contribution to Region #19 Board of Ed	9,309,812		9,309,812	9,309,812	-	
Total expenditures	40,923,342		41,567,342	41,308,299	(259,043)	
Results from budgetary operations	-	644,000	-	56,353	56,353	56,353
Fund balance, June 30, 2008						\$ 1,825,477
Fund balance:						
Unreserved:						
Designated for 2008/09 budget						1,825,477
Undesignated						<u>1,825,477</u>
						<u>\$1,825,477</u>

Resolution of the Town Council of the Town of Mansfield held August 25, 2008

Resolution authorizing lease purchase financing to pay the costs of the capital projects adopted in the 2008/09 budget identified as being funded by a lease purchase

Resolved.

- (a) That the Director of Finance is authorized to issue a Request for Proposals for an Equipment Lease Purchase.
- (b) That the Town Manager, Director of Finance and Treasurer or any two of them are authorized to enter into a lease purchasing agreement not to exceed \$508,000 and to determine the amount, interest rates, maturities, prepayment provisions, forms and other details of the agreement.
- (c) Principal and interest payments of the lease purchase agreement are subject to annual appropriation.
- (d) It is the intention of the Town of Mansfield that the lease purchase agreement will qualify as tax exempt debt, as such the Town Manager, Director of Finance and Treasurer or any two of them are authorized to make such representations and coverants as they deem necessary or advisable in order to maintain the continued exemption from federal income taxation on interest on the lease purchase agreement.

## PURCHASING RULES AND REGULATIONS

## I) Purpose and Application

- A) The purpose of these Rules and Regulations (Rules) is to provide a set of procedures designed to obtain the best possible value for the necessary goods and services purchased by the Town of Mansfield, in accordance with Article V, Section 506B.(1)(c) of the Town Charter. The Town Council has determined that competitive bidding may in some instances be against the best interest of the Town. The Council, therefore, invokes its powers under Article V Section 506B.(1)(c)(2) to promulgate these procedures designed to better ensure receipt by the Town of the best possible value for necessary goods and services by taking advantage of all prudent purchasing methods and opportunities available in the marketplace including the open competitive bidding process and delegates authority to implement these procedures to the Purchasing Agent. These procedures are further designed to provide for the fair and equitable treatment of all persons involved in public purchasing by the Town of Mansfield. Nothing in this Article should be construed to contradict the Charter provisions of the Town of Mansfield. In the event of apparent conflict, the Charter provisions shall prevail.
- B) These Rules apply to the purchase of all supplies, materials, equipment and other commodities and contractual services and construction (hereafter referred to as "products and services") required by any department, agency, board or commission of the Town, irrespective of the source of funds, except the purchase of specialized goods and contractual services for the purpose of instruction by the Board of Education. Nothing herein contained shall be construed to prevent the Director of Finance from serving, to the extent requested, as the Purchasing Agent for all requirements of the Board of Education.

## II) Purchasing Agent; solicitation and award procedures.

- A) As provided in the Town Charter the Director of Finance shall serve as the Purchasing Agent for the Town, and shall be responsible for the procurement of all products and services for the Town. Subject to the limitations set forth in the Charter and in section 1B of this document, the Purchasing Agent shall have the authority to approve all contract specifications, prescribe the method of source selection to be utilized in the procurement of all products or services, award all contracts for products and services based on a determination of the bidder who offers the best value to the Town, and shall have the authority necessary to enforce the

purchasing provisions of the Charter and these Rules. In addition, the Purchasing Agent shall have the following specific duties:

- 1) Inspect all supplies, material and equipment ordered by and delivered to the town to ensure compliance with specifications and conditions affecting the purchase thereof, or delegate the inspection thereof to such Town employees as are authorized to purchase said supplies, materials or equipment in accord with subsection B of this section;
- 2) Procure and award contracts for, or supervise the procurement of, all products and services needed by the Town, and maintain custody and care of all contracts for goods and contractual services to which the Town is a party;
- 3) Transfer between offices or sell, trade, or otherwise dispose of surplus supplies, materials, or equipment belonging to the Town;
- 4) Prepare, issue, revise, and maintain all bid specifications and establish and maintain programs for specification development, and the inspection, testing, and acceptance of products and services;
- 5) Prepare and adopt operational procedures governing the procurement functions of the Town;
- 6) Have the discretion and authority in appropriate instances to declare vendors to be irresponsible bidders and to disqualify them from receiving any business from the Town;
- 7) To cancel, in whole or in part, an invitation to bid, a request for proposals, or any other solicitation, or to reject, in whole or in part, any and all bids or proposals when to do so is in the best interests of the Town;
- 8) To require, when necessary, bid deposits, performance bonds, insurance certificates, and labor and material bonds or other similar instruments or security which protect the interests of the Town;
- 9) Procure for the Town and School all federal and state tax exemptions to which they are entitled;
- 10) Ensure that the Town and School are exempt from state fair trade laws as provided by the Connecticut General Statutes;

11) To join with other units of government and with private sector organizations in cooperative purchasing plans when the best interests of the Town would be served;

B) **Delegations to Other Town Officials.** With the approval of the Town Manager, the Purchasing Agent may delegate any portion of the authority to purchase certain products and services to other Town employees, if such delegation is deemed necessary and appropriate for the effective and efficient operation of Town government and for the procurement of those items. Such delegation shall be in writing and shall state the specific responsibilities and duties delegated. The Purchasing Agent may revoke such delegation, in writing, at any time. The Person to whom such authority is delegated shall be responsible for complying with the requirements of the Charter, this ordinance and any rules or regulations which may exist relating to the execution of the procurement process.

C) **Methods of Source Selection.** In accordance with Article V of the Town Charter, unless otherwise prescribed by law, the Purchasing Agent shall take advantage of all prudent purchasing methods and opportunities available in the marketplace. This includes, but is not limited to, such methods as competitive sealed bids, competitive sealed proposals, competitive negotiation, sole source procurement, small purchase procedures, credit card procedures, bulk ordering, emergency purchases, multi-step bidding, internet purchasing, use of cooperative purchasing plans and public auctions.

In deciding which method to utilize, the Purchasing Agent may take into consideration the following factors:

- 1) how to obtain the best value for the commodity;
- 2) whether or not to utilize a fixed-price or fixed-service contract under the circumstances;
- 3) whether quality, availability, or capability is overriding in relation to price;
- 4) whether the initial installation needs to be evaluated together with subsequent maintenance and service capabilities and what priority should be given these requirements;
- 5) what benefits are derived from product or service compatibility and standardization and what priority should be given these requirements;

- 6) whether the marketplace will respond better to a solicitation permitting not only a range of alternative proposals, but evaluation, discussion, and negotiation of them before making the award;
- 7) what is practicable and advantageous to the Town;
- 8) the availability of vendors;
- 9) the efficiency of the process;
- 10) the fair and equitable treatment of potential participants;
- 11) the degree to which specifications can be made clear and complete;
- 12) the timeliness of the process to the needs of the Town;

The Purchasing Agent shall prepare and adopt rules and regulations pertaining to the policies and procedures to be followed in using any method of source selection.

D) **Award of Contract.** Contracts shall be awarded, by the Purchasing Agent, to the vendor who offers the best value to the Town, **provided that the Finance Committee shall be advised at its next regular meeting when the Director of Finance awards a contract for goods or services (but not professional services as defined in Section I) other than by competitive sealed bid in accordance with Article V, Section 506B(1)(c)(2) of the Town Charter.** Best value shall be determined by consideration of some or all of the following factors as deemed appropriate by the Purchasing Agent:

- 1) The quality, availability, adaptability, and efficiency of use of the products and service to the particular use required;
- 2) The degree to which the provided products and services meet the specified needs of the Town, including consideration, when appropriate, of the compatibility with and ease of integration with existing products, services, or systems;
- 3) The number, scope, and significance of conditions or exceptions attached or contained in the bid and the terms of warranties, guarantees, return policies, and insurance provisions,
- 4) Whether the vendor can supply the product or service promptly, or within the specified time, without delay or additional conditions;

- 5) The competitiveness and reasonableness of the total cost or price, including consideration of the total life-cycle cost and any operational costs that are incurred if accepted;
  - 6) A cost analysis or a price analysis including the specific elements of costs, the appropriate verification of cost or pricing data, the necessity of certain costs, the reasonableness of amounts estimated for the necessary costs, the reasonableness of allowances for contingencies, the basis used for allocation of indirect costs, and the appropriateness of allocations of particular indirect costs to the proposed contract;
  - 7) A price analysis involving an evaluation of prices for the same or similar products or services. Price analysis criteria include, but are not limited to: price submissions of prospective vendors in the current procurement, prior price quotations and contract prices charged by the vendor, prices published in catalogues or price lists, prices available on the open market, and in-house estimates of cost;
  - 8) Whether or not the vendor can supply the product or perform the service at the price offered;
  - 9) The ability, capacity, experience, skill, and judgment of the vendor to perform the contract;
  - 10) The reputation, character and integrity of the vendor;
  - 11) The quality of performance on previous contracts or services to the Town or others.
  - 12) The previous and existing compliance by the vendor with laws and ordinances or previous performance relating to the contract or service, or on other contracts with the Town or other entities;
  - 13) The sufficiency, stability, and future solvency of the financial resources of the vendor;
  - 14) The ability of the vendor to provide future maintenance and service for the use of the products or services subject to the contract;
- E) **Common Specifications and Standards.** In accordance with the Town Charter, all of the Town's departments, agencies, boards and commissions (including the Board of Education) shall work together with the Purchasing Agent to identify common needs and establish standard specifications for the purchase of goods and contractual services which are commonly used by more than one department, agency, board, or commission.

The Purchasing Agent shall be responsible for identifying goods and contractual services common to the needs of the Town, School Department and their boards and commissions and for preparing and utilizing standard written specifications submitted for such goods and contractual services. After adoption, each standard specification shall, until revised or rescinded, apply in terms and effect to every purchase and contract for said goods or contractual service. The Town Manager may exempt any using agency of the Town or School from use of the goods or contractual services in such standard specification if, in the Town Manager's judgment, it is to the best interest of the Town to so do.

- F) **Sole Source Procurement and Brand Name Specification.** It is the policy of the Town to encourage fair and practicable competition consistent with obtaining the best possible value for the necessary products and services required by the Town. Since the use of sole source procurement or a brand name specification is restrictive, it may be used only when the Purchasing Agent makes a written determination that there is only one practical source for the required product or service or that only the identified brand name item or items will satisfy the Town's needs and the Town Manager concurs with such finding. A requirement for a particular brand name does not justify a sole source procurement if there is more than one potential vendor for that product or service.

Any request by a Using Agency that procurement be restricted to one potential contractor or be limited to a specific brand name shall be accompanied by an explanation as to why no other will be suitable or acceptable to meet the need.

A record of all sole source procurements and brand name specifications shall be maintained. Sole source records shall list each contractor's name; the amount and type of each contract; a listing of the products or services procured under each contract; and the effective dates of the contract. Brand name records shall list the brand name specification used, the number of suppliers solicited, the identity of these suppliers, the supplier awarded the contract, and the contract price. **The Finance Committee shall be advised, at their next regular meeting,**

when the Director of Finance and the Town Manager have made a determination of brand name or sole source selection.

- G) All purchases made and contracts executed by the Purchasing Agent shall be pursuant to a written or electronic purchase order from the head of the office, department or agency whose appropriation will be charged, and no contract or order shall be issued to any vendor unless and until the Director of Finance certifies that there is to the credit of such office, department or agency a sufficient unencumbered appropriation balance to pay for the supplies, materials, equipment or contractual services for which the contract or order is to be issued. This requirement may be deferred in the event that an emergency situation requires prompt action by the Purchasing Agent.
- H) The responsible head of each department, office, institution, board, commission, agency or instrumentality of the Town or School shall certify, in writing, to the Purchasing Agent the names of such officers or employees who shall be exclusively authorized to sign purchase orders for such respective department, office, institution, board, commission, agency or instrumentality, and all requests for purchases shall be void unless executed by such certified officers or employees and approved by the Purchasing Agent.
- I) **Professional Services.** As the procurement of professional services is generally exempt from the requirements of competitive sealed bidding, all contracts for professional services shall be obtained in accordance with the following guidelines:
- 1) A **Request for Proposal (RFP)** shall be written for all requests for professional services **(except as described in I 2) below** in excess of \$10,000. They shall be written in such a manner as to describe the requirement to be met, without having the effect of exclusively requiring a proprietary product or service, or procurement from a sole source, unless approved in accordance with the requirements of this Article.
  - 2) **When the scope of work is less precise**, the preferred method of obtaining professional services shall be through the use of competitive negotiation. The process used for the solicitation of proposals shall assure that a reasonable and representative number of vendors are given an opportunity to compete. The Superintendent may limit the number of qualified vendors considered and may approve solicitation by invitation or public notice.

3) The award of a professional services contract shall be done in a manner designed to obtain the best possible value to the Region and with consideration of the factors listed in Section D of this document titled "Award of Contract".

4) Professional services are defined as:

- work requiring knowledge of an advanced type in a field of study and which frequently require special credentialing, certification or licensure. Such areas include but are not limited to engineers, architects, appraisers, medical service providers, consultants, actuaries, banking services, or;
- work that is original and creative in character in a recognized field or artistic endeavor or requires special abilities and depends primarily on a person's invention, imagination, or creative talent. Such fields or artistic endeavor include but are not limited to the following: health & fitness, cultural arts, crafts, ice skating, specialty area instructors; and
- work that requires consistent exercise of independent discretion and judgement to perform according to their own methods and without being subject to the control of the Town except as to the result of the work.
- professional service providers shall not be dependent on the Town as their sole client, and must be clearly considered an independent contractor as opposed to an employee as defined by State and Federal laws, regulations, and court decisions.

5) **The Town Manager shall have the authority and responsibility to execute professional service contracts on behalf of the Town, except contracts for legal services, which shall be approved by the Town Council prior to execution by the Town Manager.**

J) **Custody of Contracts.** All contracts for goods, contractual services and professional services to which the Town is a party shall be kept in the office of the Purchasing Agent and shall be under the care and custody of the Purchasing Agent unless the Purchasing Agent has delegated the authority to take custody of such a contract to another Town official in accord with subsection B of this section, All other contracts to which the Town is a party or to which any officer or board, bureau or commission of the town, acting in behalf of the Town, is a party

shall be kept on file in the Town Clerk's office and shall be under the care and custody of the Town Clerk. When any officer, board, bureau or commission of said Town shall require any original contract in which the Town is interested, as aforesaid, the contract shall not be taken from the Town Clerk's or Purchasing Agent's office until such officer, board, bureau or commission has given a receipt therefor, and a copy of such contract shall be filed with the Town Clerk or Purchasing Agent, as soon as the same can be made. The above provisions shall not apply when any such contract is needed for temporary use in the town building and is returned on the same day that it is taken.