

TOWN OF MANSFIELD
FINANCE COMMITTEE MEETING

Monday, June 14, 2010

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

REVISED 6/11/10

A G E N D A

1. Approval of minutes for May 10, 2010 meeting
2. Report on Revaluation Consulting Services
3. Tax Sale and Foreclosure Discussion
4. Compensatory Time
5. Finance Ordinance
6. Bond Authorization – Next Steps
7. Other Business/Future Agenda Items
8. Adjournment



TOWN OF MANSFIELD
FINANCE COMMITTEE MEETING
MINUTES OF MAY 10, 2010

Members Present: W. Ryan, C. Schaefer (arrived 6:12pm)

Council Members Present: Meredith Lindsey

Staff Present: M. Hart, C. Trahan, D. Dagon

Guests: Gene Nesbitt

Meeting called to order at 6:05pm.

1. Minutes from 04/12/10 meeting approved as presented
2. Chief Dagon answered questions regarding the rescue billing FAQ's that were included in the packet. The committee discussed and made a motion to bring to the Town Council a recommendation to implement.
3. Gene Nesbitt distributed a memo from the 4-Corners Sewer and Water Advisory Committee and reviewed the necessary action items to be completed in order to have the sewer project "shovel ready" by late summer. The Advisory Committee requested that bonding be proposed at a special Town Meeting to be held mid-late June, 2010. The committee discussed and agreed to recommend the same to the Town Council.
4. Cherie Trahan reviewed the quarterly financial statements including the status of current year revenues and expenditures.
5. Cherie Trahan reviewed the requirement to appoint the auditors for FY 2009/10. We are in the second year of a three year agreement with Blum, Shapiro, & Co.
6. Cherie Trahan reviewed the Agenda Item Summary regarding the 2009/10 Lease Purchase agreement with the Finance Committee and requested their endorsement.
7. The Finance Committee discussed the Agenda Item Summary requesting authorization for Cherie Trahan to act on behalf of the Town regarding investments.
8. Adjournment. The meeting adjourned at 7:15pm.

Motions:

Motion was made to accept the April 12, 2010 minutes by Carl Schaefer. Seconded by Bill Ryan. Motion so passed.

Motion to recommend that the Town Council move forward at the May 24, 2010 to set a public hearing for the WPCA on June 14, 2010 regarding the issuance of bonds for the 4-Corner Water & Sewer project at a Town Meeting to be held on June 28, 2010 by Carl Schaefer, seconded by Bill Ryan. Motion so passed.

Motion to recommend that the Town Council more forward with a Town Meeting in July, 2010 for the purposes of approving a bond issue to finance the purchase of
\\th-file-01.mansfield.mansfieldct.net\townhall\Finance\Finance Committee\Fin Comm
051010.doc

miscellaneous equipment and improvements as approved in the 2010/11 Capital Improvement budget.

Motion made to recommend to the Town Council the implementation of Rescue Fee Billing by Bill Ryan, seconded by Carl Schaefer. Motion so passed.

Motion to accept the Quarterly Financial Statements dated March 31, 2010 by Carl Schaefer, seconded by Bill Ryan. Motion so passed.

Motion was made to recommend the appointment of Blum, Shapiro & Co as the auditing firm for 2009/10 by Bill Ryan, seconded by Carl Schaefer. Motion so passed.

Motion was made to recommend the authorization to proceed with lease purchase financing per the 5/10/10 Agenda Item Summary by Bill Ryan, seconded by Carl Schaefer. Motion so passed.

Motion was made to recommend the authorization of Cherie Trahan to act of the Town's behalf with respect to investment transactions per the 5/10/10 Agenda Item Summary by Bill Ryan, seconded by Carl Schaefer. Motion so passed.

Motion to adjourn.

Respectfully Submitted,
Cherie Trahan
Director of Finance



Town of Mansfield Department of Finance

To: Mansfield Finance Committee
From: Cherie Trahan, Director
CC: Matt Hart, Town Manager
Date: June 14, 2010
Re: Revaluation Contracted Services

During the 2010/11 budget process, you requested that I review the cost of the Assessor's office specifically as it relates to revaluation contracted services.

In January, 2010 the Mansfield Assessor reported the cost to several neighboring communities for the revaluation consultants. To get a true picture of the cost effectiveness of an in-house revaluation, we must take into consideration the number of taxable parcels, exempt parcels and the related services in the individual communities.

Below is a comparison chart of the number of parcels, estimated salary, benefits, and consulting for a 5 year period for Mansfield, Tolland and Coventry.

	Mansfield	Tolland	Coventry
Taxable Parcels	5,121	6,108	6,218
Exempt Parcels	822	473	442
Total Parcels	5,943	6,581	6,660
Revaluation Consultant	\$ 75,000	\$ 308,000	\$ 176,000
Estimated Salaries - 5 Years	866,090	824,760	619,720
Estimated Benefits - 5 Years	264,661	295,765	198,310 *
	<u>\$ 1,205,751</u>	<u>\$ 1,428,525</u>	<u>\$ 994,030</u>
Staff/Consulting Cost per Parcel	<u>\$ 203</u>	<u>\$ 217</u>	<u>\$ 149</u>

*Coventry benefits are estimated

While Coventry's costs are less than Mansfield's costs, it is important to note that Coventry's Assessor has stated that they are severely understaffed and that some functions are not getting done (and that is without conducting an in-house revaluation).

It is also important to recognize that doing a revaluation every five years does not mean that the revaluation work is done in one year and is on hold for four years. As soon as the revaluation is complete, the cycle begins again. There is a tremendous amount of work that gets done outside the revaluation process, such as: assessment and ownership changes, processing tax exemption program applications, maintaining the property records system (including updating digital photos), performing business personal property audits, updating UConn building information, maintaining the Assessor's website information, providing public information services, etc. The additional work involved in doing a revaluation in house every five years rather than ten, was taken on by staff in Mansfield without any adjustment to salary.

Based on the per parcel cost as compared to Tolland, Mansfield is saving \$83,200 by doing our revaluation in-house. It is cost effective to do the revaluation in house with some consulting assistance. We are able to provide the best service to our citizens for the least cost.



Town of Mansfield Department of Finance

To: Mansfield Finance Committee
From: Cherie Trahan, Director
CC: Matt Hart, Town Manager
Date: June 14, 2010
Re: Foreclosure Process vs. Tax Sale

In the past, Mansfield has used the foreclosure process to collect on significantly delinquent property taxes. Under a foreclosure, the Town takes possession of the property in payment of the delinquent taxes through a lengthy and costly legal process. A tax sale is less costly for the debtor, and there is no cost to the town as attorney fees are recovered along with the tax collection. Several other items of comparison are as follows:

- A tax sale will yield payment in 3 months, tops. Foreclosure takes upwards of a year even if it is totally uncontested.
- Foreclosures allow (and even encourage) meritless defenses, delays, and counterclaims. Tax sales have fixed statutory timelines and no counterattack.
- Tax sales collect all accounts simultaneously. We can collect on delinquent personal property taxes at the same time. Foreclosures are pursued separately.
- Town pays nothing for tax sale and costs the debtor about \$5,000. Foreclosure is usually pay-as-you-go for Town, and ultimately costs debtor closer to \$10,000.
- Foreclosure (marshal service) is much harder than tax sale (newspaper notice) where owners or encumbrancers live out of state or have unknown addresses.
- Tax sales have more public notices and attention than individual foreclosures, so they are a deterrent against other delinquencies.
- Under a tax sale, the town can purchase the property only if no bid comes in high enough to cover the delinquent taxes.

After conferring with the Town Attorney, whose firm belief is that tax sales are preferable to foreclosure in most cases, we have decided to move forward with a tax sale for a number of properties, none of which are owner-occupied. Attorney O'Brien is also in agreement that Attorney Adam Cohen (Pullman & Comley, LLC) who serves as the general counsel for the Connecticut Tax Collectors' Association will handle the tax sale for us. A few of the towns that Atty. Cohen has handled tax sales for include: Pomfret, Chaplin, Willington, Killingly, Somers, Union, Hampton, and Woodstock. Atty. Cohen's process includes a title search and demand for payment letters. Approximately 90% of properties turned over to him for collection never actually go to auction, but instead taxes are paid in full.



Town of Mansfield Department of Finance

To: Mansfield Finance Committee
From: Cherie Trahan, Director
CC: Matt Hart, Town Manager
Date: June 14, 2010
Re: Finance Ordinance

Section C303 of the Town Charter requires that the Council “shall provide by ordinance the procedure for administration and fiduciary oversight of the Town finances”. I have attached for your information: sections of the Charter that may apply; the Financial Management Goals adopted and amended by the Town Council on November 25, 1996; and the Ordinance for Obtaining Goods and Services.

A draft Finance Ordinance will be provided at Finance Committee meeting on June 14'th for your review and discussion.

ARTICLE III
The Town Council

§ C301. The Council.

There shall be a Town Council consisting of nine members, herein referred to as the Council. The members shall serve without compensation except for the reimbursement of expenses incurred in the performance of official duties. No member of the Council shall simultaneously hold any other elected municipal office or paid position of the Town.

§ C302. Organization and procedure.

A. At the next regular meeting of the Town Council following the municipal election, the Town Council members shall elect, by a majority vote of all Council members, one of their number to serve as Mayor, who shall preside at Council meetings, and one of their number to serve as Deputy Mayor, who shall serve in the Mayor's temporary absence. If both are absent, the Council may designate from its membership a temporary presiding officer. At this meeting the Council shall fix the time and place of its regular meetings, which shall be at least once each month, and shall provide methods for calling special meetings. If the position of the Mayor is vacated, the Council shall elect a new Mayor in the same manner as prescribed in this section. The Mayor shall be recognized as the official head of the Town for all ceremonial purposes.

B. The Council shall determine its own rules of procedure. Five members shall constitute a quorum. All meetings of the Council for the transaction of business shall be open to the public in accordance with the Freedom of Information Act.³ All votes shall be recorded as prescribed by the C.G.S.

C. The Council shall keep for public inspection a journal of all its proceedings, including all roll call votes, which shall be the official record of its proceedings. The journal shall be maintained by the Town Clerk and shall be authenticated for each meeting by the signature of the Mayor or other presiding officer and the Town Clerk.

§ C303. Powers.

A. The Council shall be the governing body of the Town. It shall exercise and perform all the rights, powers, duties and obligations of the Town except as the same may be assigned by the C.G.S. or this Charter to some other officer, board, agency or to the Town Meeting. These powers include, in addition to all other powers, all the powers and duties now or hereafter conferred or imposed by the general statutes, special acts or otherwise upon Town Meetings, boards of finance, and boards of selectmen. The Council shall provide by ordinance the procedure for administration and fiduciary oversight of the Town finances. The Council may provide by ordinance for the exercise by the Manager or some other officer, board or agency of any of the administrative powers not otherwise assigned by this Charter. The legislative power of the Town and final authority concerning the tax rate are vested exclusively in the Council except as otherwise provided in this Charter.

3. Editor's Note: See C.G.S. § 1-7 et seq.

(2) Upon the suspension, removal or resignation of the Town Manager, the Council may appoint a temporary Manager, who shall be a qualified administrative officer of the Town, to serve at the pleasure of the Council for not more than 90 days. The temporary Manager shall have none of the powers of permanent appointment as are conferred upon the Manager in § C503 of this article.



§ C502. Duties of the Town Manager.

A. The Town Manager shall be responsible to the Council for the supervision, direction and administration of all departments, agencies and offices.

B. The Town Manager shall:

(1) Ensure that all laws and ordinances governing the Town are faithfully executed.

(2) Make periodic reports to the Council.

(3) Attend Council meetings with full right of participation in its discussions but without a right to vote.

(4) Submit to the Town Council and make available to the public complete reports on the finances and on the administrative activities of the Town as of the end of each fiscal year.

(5) Make recommendations to the Town Council concerning the affairs of the Town and facilitate the work of the Town Council in developing policy.

(6) Keep the Council fully advised as to the financial condition and anticipated future financial needs of the Town.

(7) Prepare and submit to the Council an annual budget.

(8) At the time of an emergency or disaster, expend the necessary funds to assure the smooth operation of Town business and the health, safety and well-being of the Town and its residents, consistent with this Charter; see § C409.

(9) Assist the Council to develop long-term goals for the Town and strategies to implement such goals.

(10) Encourage and provide staff support for regional and intergovernmental cooperation.

(11) Promote partnerships among Council, staff and citizens in developing public policy and building a sense of community.

(12) Exercise such powers and perform such other duties as may be required by ordinance or resolution of the Council not inconsistent with this Charter.

§ C503. Appointments by the Manager.

The Town Manager shall appoint, and may remove, all department directors and employees of the Town except as otherwise specifically provided by this Charter or the C.G.S. The Town Manager may, subject to the approval of the Council, perform the duties of any such office except those of the Town Treasurer and Town Clerk, provided that, in case the Town Treasurer is absent or unable to act, the Town Manager may countersign checks in accordance with the provisions of § C505 of this Charter. The Town Manager may designate an appointee to serve as acting Manager during the Manager's absence.

§ C504. Administrative departments.

In addition to those administrative departments, agencies and offices established by this Charter, as set forth in § C303B, the Town Council shall establish by ordinance various administrative departments, agencies and offices responsible for public services. Such departments, agencies and offices shall, except as otherwise provided in this Charter, have the powers and duties prescribed by law and by ordinance or resolution of said Council. The department directors shall have the power to appoint and remove such deputies, assistants and employees as shall be deemed necessary, with approval of the Town Manager and pursuant to the personnel provisions of Article VI of this Charter. The directors shall be responsible for the efficient discharge of the responsibilities of their departments, agencies and offices. The directors may delegate a part of the administrative duties of the department, agency or office to any appointee.

§ C505. Office of Town Clerk.

The Town Clerk shall have all powers and duties conferred or imposed by law on Town Clerks, shall serve as Clerk of the Council and shall have such other duties as are prescribed in this Charter or are assigned by the Manager or the Council. All fees collected by the Town Clerk or deputies or assistants shall be paid into the Town Treasury.



§ C506. Department of Finance.

A. The Department of Finance shall be responsible for:

- (1) The keeping of accounts and financial records.
- (2) The assessment and collection of taxes, special assessments and other revenues.
- (3) The custody and disbursement of Town funds and money.
- (4) The oversight of expenditures.
- (5) Except as otherwise provided in § C406, such other powers and duties as may be required by ordinance or resolution of the Town Council.

B. Accounts shall be kept by the Department of Finance showing the financial transactions for all departments and agencies of the Town. Forms for such accounts shall be prescribed by the Director of Finance with the approval of the

Town Manager. Financial reports shall be prepared for each quarter and for each fiscal year and for such other periods as may be required by the Town Manager or Town Council.

(1) Organization.

(a) The Director of Finance shall have direct supervision over the Department of Finance and the administration of the financial affairs of the Town. Subject to the approval of the Manager, the Director of Finance may perform the duties of any office within the Finance Department except that of the Treasurer, and may consolidate one or more such offices under one person, provided that the Town Treasurer shall not also be the Tax Collector or the purchasing agent.

(b) The Tax Collector, Assessor and Treasurer shall have all powers and duties imposed by law on such officers and shall have such other powers and duties as the Director may prescribe.

(c) Purchasing. The Town Council shall establish, by ordinance, procedures regarding the procurement of goods and services.

(d) Nothing herein shall prevent the creation of petty cash funds in individual departments from which small expenditures may be made under rules promulgated by the Director of Finance as to amounts, audits, evidence of expenditure and system for replenishment.

(2) Assessment and collection of taxes. Except as specifically provided in this Charter, the assessment of property for taxation, the billing and collection of taxes shall be performed as provided in the C.G.S.

(3) Expenditures and accounting.

(a) No purchase shall be made by any department, board, commission or officer of the Town other than the Board of Education, except through the purchasing agent.

(b) No vouchers, claim or charge against the Town shall be paid until the same has been audited and approved by the Director of Finance or an agent for correctness and validity. Payment of all approved claims shall be authorized by the Director of Finance which authorization shall be valid when countersigned by the Treasurer, provided that, in the absence or inability to act of either the Director of Finance or Treasurer, the Manager may be authorized to substitute temporarily for either but not both of them.

(c) The Director of Finance shall prescribe the time at which and the manner in which persons receiving money on account of the Town shall pay the same to the Town Treasurer.

(d) The several departments, commissions, officers and boards of the Town shall not involve the Town in any obligation to spend money for any purpose in excess of the amount appropriated therefor unless the matter has been approved by the Council. Each order drawn upon the Treasurer shall state the department, commission, board or officer and the appropriation against which it is to be charged.

(e) Except as otherwise provided in § C406, additional appropriations over and above the total budget may be made from time to time by resolution of the Council, upon recommendation of the Manager and certification from the Director of Finance that there are available unappropriated general fund or other resources in excess of the proposed additional appropriations.

(f) Appropriations for construction or for other permanent improvements, from whatever source derived, shall not lapse until the purpose for which the appropriation was made shall have been accomplished or abandoned. Any such project shall be deemed to have been abandoned if three fiscal years shall elapse without any expenditure from or encumbrance of the appropriation. Any portion of an annual appropriation remaining unexpended and unencumbered at the close of the budget year shall lapse.

(g) Every payment made in violation of the provisions of this Charter shall be deemed illegal and every official authorizing or making such payment or taking part therein and every person receiving such payment or any part thereof shall be jointly and severally liable to the Town for the full amount so paid or received. If any officer or employee of the Town shall knowingly incur any obligation or shall authorize or make any expenditure in violation of the provisions of this Charter or take any part therein, such action shall be cause for removal.

§ C507. Official bonds.

A. The Town Manager, Town Clerk, Director of Finance, Treasurer, Tax Collector, Director of Public Works, Building Official and such other officers and employees as may be required to do so by the Council shall, before entering on their respective official duties, execute to the Town, in the form prescribed by the Council and approved by the Town Attorney, and file with the Town Clerk, a surety company bond in a penal sum to be fixed by the Council, conditioned upon honesty and/or the faithful performance of such official duties.

B. Nothing herein shall be construed to prevent the Council, if it deems it to be in the best interests of the Town, from prescribing a name schedule bond, schedule position bond or blanket bond, or from prescribing which departments, offices, agencies, boards or commissions shall be covered by a specific type of the aforementioned bonds. Premiums for such bonds shall be paid by the Town.

§ C508. Salaries.

Salaries of the Town Clerk, all directors and all employees in the classified service of the Town shall be determined by the Council, in conformity with a systematic pay plan for the positions involved, upon recommendation of the Manager, provided that nothing herein shall be construed to limit the power of the Board of Education to fix the compensation of the employees of the school system.

ARTICLE VI The Merit System

Sec§ C601. Merit principle.

FINANCIAL MANAGEMENT GOALS

PREFACE

The Fiscal Performance Goals adopted by the Town Council on March 9, 1987, as amended November 25, 1996, represent an effort to establish written policies for guiding the Town's financial management practices. These goals are not intended in any way to limit the authority of the Council to act, but rather to form a framework within which to make financial decisions and to monitor financial activity in a consistent manner. The adoption of these goals will not restrict the Town Council's ability and responsibility to respond to emergency or service delivery needs above or beyond the suggested limitations herein established.

FINANCIAL REPORTING PERFORMANCE GOALS

- A policy of full and open disclosure of all financial activity will be adhered to.
- Records will be maintained on a basis consistent with accepted government accounting standards.
- The Director of Finance will prepare monthly, quarterly and annual financial reports, presenting a summary of financial activity by major types of funds and programs.
- The Comprehensive Annual Financial Report will be prepared in conformity with accounting principles generally accepted in the United States of America and governmental financial reporting practices.
- An independent public accounting firm will be employed to perform an annual audit of all funds, authorities, agencies and grant programs, and the annual audited report will be made available to the general public, bond and financial consultants, and other interested citizens and organizations. The audit will be completed and submitted to the Town Council within one hundred fifty (150) days of the close of the Town's fiscal year.

RESERVE PERFORMANCE GOALS

- A contingency account will be established annually in the operating budget to:
 - a. provide for settlement of pending labor contract negotiations;
 - b. provide for temporary funding of unforeseen needs of an emergency or nonrecurring nature;
 - c. permit orderly budgetary adjustments when revenues are lost through the action of other governmental bodies;
 - d. provide the local match for public or private grants; and
 - e. meet unexpected small increases in service delivery costs.
- The contingency account will be budgeted at a level sufficient to provide for settlement of pending labor contract negotiations plus an amount not to exceed one percent of the proposed Town budget. The Town's budget will be amended at the time such contingency funds are committed. The contingency account will be separate from the carryover fund balance.

FUND BALANCE GOALS

- A year-to-year carryover fund balance will be maintained in an amount necessary to maintain adequate cash flow and to prevent the demand for short-term borrowing. The undesignated fund balance should be at least five percent (5%) of the general fund operating budget and shall be separate from the contingency account. Fund balance in excess of the three percent goal should be used for balancing the proposed operating tax budget in the succeeding fiscal year.
- It is Council policy that the practice of using fund balance as a source of financing future years operating budgets has an inherently destabilizing impact upon the operating budget. Therefore, any fund balance in excess of the five percent goal will be transferred to the CNR Fund and used for one-time expenditures.

CAPITAL IMPROVEMENTS PERFORMANCE GOALS

- Capital improvements will be based on long-range projected needs rather than on immediate needs, in order to minimize future maintenance, replacement and capital costs.
- All capital improvements should be made in accordance with the Town's five-year capital improvements program. The capital improvements program shall be revised annually.
- The development of the capital improvements program will be coordinated with the operating budget in order to maintain a reasonably stable total tax levy.
- Before submission to the Town Council, the Town Manager will identify the estimated cost and potential funding sources for each capital project proposed. Future operating costs associated with a proposed capital improvement will be estimated before a decision is made to implement a project.
- Federal, State and other intergovernmental and private funding sources will be sought out and used as available to assist in financing capital improvements.

INVESTMENT PERFORMANCE GOALS

- A cash flow analysis of all funds will be developed on a regular basis. Collections, deposits and disbursements of all funds will be scheduled in a way as to ensure maximum cash availability.
- Where permitted by law, cash from separate funds and sources will be pooled to maximize investment yields. Interest will be credited to the General Fund except where prohibited by law or where the source of the cash is from an individual or corporation to ensure performance. Interest will be credited to the Capital and Nonrecurring Expenditure Fund (CNR) on cash held in the CNR Fund and the Capital Fund. The interest income will be used for future capital projects or debt service.
- Investment policy will be consistent with State law and will provide for security of principal, as well as needed liquidity.

DEBT PERFORMANCE GOALS

- Long-term debt will be limited to those capital improvements that should not be financed from current revenues.
- The maturity date for any debt will not exceed the reasonably expected useful life of the project so financed.
- The total direct general obligation debt will not exceed three percent (3%) of the full assessment value of taxable property.
- As a means of further minimizing the impact of debt obligations of the taxpayers:
 - a. long-term net debt will not exceed \$500 per capita; and
 - b. these limitations will not apply to any debt incurred for emergency purposes.
- The issuance of bond, tax and revenue anticipation notes will be avoided.
- Special assessments, revenue bonds and/or any other available self-liquidating debt measures will be used instead of general obligation bonds where and when possible and applicable.
- An official statement will be prepared to be used in connection with all sales of bonds and notes.
- Good relations will be maintained with financial and bond rating agencies, and a policy of full and open disclosure on every financial report and bond prospectus will be followed.

OPERATING EXPENDITURES PERFORMANCE GOALS

- The Town Manager will propose and the Town Council will adopt and maintain a balanced budget in which expenditures will not be allowed to exceed reasonable estimated resources and revenues.
- All current operation and maintenance expenses will be paid from the current revenue sources.
- The operating budget will provide for the adequate maintenance of capital assets and equipment.
- The budget will provide for adequate funding of all employee benefit programs and retirement systems.
- A budgetary control system will be maintained to enable adherence to the adopted budget. This will include a record keeping system to be adhered to by all programs and activities receiving annual Town Council appropriations.
- A system of regular monthly fiscal reports comparing actual revenues and expenditures to budgeted amounts will be prepared and maintained.
- An effective risk management program to minimize loss and reduce costs will be developed and implemented. The Town Manager will ensure that adequate insurance programs are in place, including unemployment and workers' compensation insurance.
- Delivery of services by other public and private organizations will be encouraged whenever and wherever greater efficiency and effectiveness can be expected. Technology and productivity advancements that will help reduce or avoid increasing personnel costs as a proportion of the total budget, that use available resources more productively and creatively, and that avoid duplication of effort and resources will be utilized.
- A Reserve Fund for Capital and Nonrecurring Expenditures will be maintained and will be adequately funded each year by a transfer from the General Fund Budget and by unanticipated one time revenues.

Revenue Performance Goals

- A diversified and stable revenue system will be maintained as protection from short-run fluctuations.
- Annual revenues will be estimated on an objective and reasonable basis. The Town Manager will develop a method to project revenues on a multi-year basis.
- One time or special purpose revenues will be used only for capital expenditures or for expenditures required by the revenues and not to subsidize recurring personnel, operation or maintenance costs.
- All user charges and fees will be annually re-evaluated at a level related to the cost of providing the services.
- Appropriate expansion and diversification of the tax base will be encouraged and additional Federal and State revenues will be sought in order to reduce the reliance on the property tax as it affects individual homeowners.

Town of Mansfield
Code of Ordinances
"An Ordinance for Obtaining Goods and Services
By the Town of Mansfield"

Approved June 22, 2009

Section 1. Title.

This chapter shall be known and may be cited as "the Ordinance for Obtaining Goods and Services.

Section 2. Legislative Authority.

This chapter is enacted pursuant to the provisions of Town Charter section C506 B(1)(c).

Section 3. Purpose and Application.

- A. The purpose of this ordinance 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 506 of the Town Charter. The Town Council has determined that competitive bidding in some instances may be against the best interest of the Town. The Council, therefore, invokes its powers under Article V Section 506B(1)(c) to establish this ordinance 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.
- B. This Ordinance shall 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. The Mansfield Board of Education and the Region 19 Board of Education shall be encouraged to adopt purchasing regulations similar to the provisions of this Ordinance. 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(s) of Education.

- C. In order to increase the development and awareness of environmentally sound products and services, the Town of Mansfield will ensure that all possible and feasible specifications are reviewed for consideration of environmental impacts. Consideration will be given to those products that from a life cycle perspective, adversely affect the environment in the least possible way. This means that the Town of Mansfield will make a reasonable and responsible effort to choose product and services that:
- 1) are produced in an environmentally responsible manner
 - 2) are distributed in an environmentally responsible manner
 - 3) cause the least possible damage to the environment
 - 4) can be removed in an environmentally responsible manner

Section 4. 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 Ordinance, 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 for cause to disqualify vendors and to declare them to be irresponsible bidders and to remove 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 all federal and state tax exemptions to which they are entitled;
- 10) Ensure that the Town is 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 written 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. The Purchasing Agent, with the written approval of the Town Manager, may revoke such delegation 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 to 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;

D. **Award of Contract.** Contracts shall be awarded, by the Purchasing Agent, to the vendor who offers the best value to the Town. The Finance Committee shall be advised in the next quarterly financial report, or sooner when appropriate, when the Purchasing Agent 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) 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.

- 1) In accordance with this ordinance, all of the Town's departments, agencies, boards and commissions 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.
- 2) 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 from the use of the goods or contractual services in such standard specification if, in his/her judgment, it is to the best interest of the Town to so do.

F. Sole Source Procurement and Brand Name Specification.

- 1) 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 sole source procurement if there is more than one potential vendor for that product or service.
- 2) 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.

- 3) 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 Town Council Finance Committee shall be advised, in the next quarterly financial report, or sooner when appropriate, when the Purchasing Agent 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. This section will not prevent the use of open purchase orders or the use of a purchasing card program designed to consolidate many small transactions onto a single monthly invoice.
- H. The responsible head of each department, office, institution, board, commission, agency or instrumentality of the Town 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 including legal services shall be obtained in accordance with the following guidelines; with the exception of the Town Attorney who shall be chosen in accordance with Article III Section 305 of the Town Charter. The Town Manager shall execute an agreement for professional services with the appointed Town Attorney.
- 1) A Request for Proposal (RFP) or Request for Qualifications (RFQ) shall be written for all requests for professional services (except as described in subsection 3 below) in excess of \$10,000. The RFP or RFQ 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 Town Manager may limit the number of qualified vendors considered and may approve solicitation by invitation or public notice.
- 3) In accordance with Article III Section 305 (C) of the Town Charter, the Town Manager with the approval of the Town Council may obtain special legal services other than the Town Attorney. In obtaining those services the Town Manager may consider in addition to hourly rate, the reputation, character and integrity of the firm, the quality of performance on previous contracts and services to the Town, the ability of the firm to provide these services over an extended period, and the ability, capacity, experience, skill and judgment of the attorneys performing the service.
- 4) The award of a professional services contract shall be done in a manner designed to obtain the best possible value to the Town and with consideration of the factors listed in Subsection D of this Ordinance titled "Award of Contract".
- 5) Professional services are defined as:
 - a) 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, legal, or;
 - b) 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
 - c) work that requires consistent exercise of independent discretion and judgment 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.

- d) 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.
- 6) On behalf of the Town, the Town Manager shall have the authority and responsibility to execute professional service contracts in excess of \$10,000.
- J) **Invoice Schedule.** All contracts for goods, contractual services and professional services to which the Town is a party shall include a provision requiring the vendor or contractor to invoice the Town in a timely manner, pursuant to a schedule established by the Purchasing Agent.
- K) **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 therefore, 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.