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PUBLIC NOTICE OF A COMMITTEE MEETING OF THE CITY OF WATERLOO COMMON COUNCIL

Pursuant to Section 19.84 Wisconsin Statutes, notice is hereby given to the public and news media, that a public meeting will be held to consider the following:

COMMITTEE: FINANCE, INSURANCE & PERSONNEL COMMITTEE
DATE: March 19, 2020
TIME: 6:00 p.m.
LOCATION: Municipal Building Council Chamber, 136 N. Monroe Street

1. CALL TO ORDER AND ROLL CALL
2. MEETING MINUTES APPROVAL – February 20, 2020
3. PUBLIC COMMENT
4. UNFINISHED BUSINESS
 - a. Purchasing And Procurement Policy Review – Draft Amendment To Resolution #2009-33 And Examples From Other Communities
5. NEW BUSINESS
 - a. 2020 Finance Package Review -- Including Addressing General Fund Unassigned Balance Figure, TID #3 Interfund Transfers And Street Repair
 - b. Tax Incremental Finance Districts 2, 3 & 4, Return On Investment Reports
 - c. February Financial Statements
 - i. General Disbursements - \$1,243,022.29 ***
 - ii. Payroll – \$67,929.36 ***
 - iii. Treasurer's Report & Budget Reports ***
6. FUTURE AGENDA ITEMS AND ANNOUNCEMENTS
 - a. Committee Calendar
7. ADJOURNMENT

Mo Hansen
Mo Hansen
Clerk/Treasurer

***See Council Packet; Digital Version As Stand Alone Document On Webpage
Committee Members: Thomas, Griffin and Kuhl

Posted, Emailed & Distributed: 03/12/2020

PLEASE NOTE: It is possible that members of and possibly a quorum of members of other governmental bodies of the municipality may be in attendance at the above meeting(s) to gather information. No action will be taken by any governmental body other than that specifically noticed. Also, upon reasonable notice, efforts will be made to accommodate the needs of disabled individuals through appropriate aids and services. For additional information or to request such services please contact the clerk's office at the above location.

CITY OF WATERLOO FINANCE, INSURANCE & PERSONNEL COMMITTEE: MEETING MINUTES

February 20, 2020

1. CALL TO ORDER AND ROLL CALL. Thomas called the meeting to order at 6:00 p.m. Members present: Thomas, Kuhl & Griffin. Absent: none. Also attending: Barry Sorenson; Chad Yerges; Mayor Quimby and Clerk/Treasurer Hansen.
2. MEETING MINUTES APPROVAL – January 14, 2020. MOTION: Moved by Kuhl, seconded by Griffin to table minutes approval. VOICE VOTE: Motion carried.
3. PUBLIC COMMENT. None.
4. UNFINISHED BUSINESS
 - a. Purchasing And Procurement Policy Review – Draft Amendment To Resolution #2009-33. DISCUSSION: Referencing the materials, Thomas and Kuhl said they liked Beaver Dam. Thomas said he didn't like the School District document. Thomas indicated he would search for additional examples. No action taken.
 - b. Resolution #2020-01 2019 Carry-Overs. MOTION: Moved by Griffin, seconded by Kuhl to recommend Council approval. VOICE VOTE: Motion carried.
 - c. Converting To A Biennial Budget Process. DISCUSSION: Thomas referenced the statutes and outlined a timeline for implementation. He suggested using the coming months to practice and trial the idea. MOTION: By Consensus the Committee agreed to practice and trial the ideas.
5. NEW BUSINESS
 - a. Funding 2020 Summer Internship. DISCUSSION: The Mayor said the Clerk/Treasurer would be responsible for the day-to-day intern activities. Thomas said he would like to approve funding so in the event the applicant did not accept the opportunity another opportunity may be possible. MOTION: Moved by Kuhl, seconded by Griffin to recommend funding the summer internship as outlined in the meeting documents. VOICE VOTE: Motion carried.
 - b. Closure Of Tax Incremental District No. 4. DISCUSSION: Hansen said Jeff Tate had expressed interest in the use of TID #4 aid in the event he recruits an entity to lease vacant space at 808 North Monroe Street. Kuhl suggested the CDA take the lead on facilitating a Tate lease opportunity, making sure the City is behind the property owner. Hansen said closure would generate roughly \$10,000 in annual new revenue for the General Fund. MOTION: Moved by Kuhl, seconded by Griffin to table consideration until February of 2021. VOICE VOTE: Motion carried.
 - c. Examining Means & Methods To Rebuild Fund Balance Per §53-11 (Fund Balance Policies). DISCUSSION: Hansen said the need was to remedy a refinancing matter in TID #3 which was constricting the category of unassigned General Fund amounts. He said the Parks Fund also showed negative cash for year-end 2019 which furthered the unassigned General Fund amounts. He said 2019 TID #3 refinancing did not include inter-fund transfers. Kuhl, Thomas and Quimby said they thought the inter-funds were refinanced in 2019. Thomas and Quimby asked to see what figures Hansen described. Hansen said a prior strategy was to do as much as possible without borrowing. Thomas said once a negative balance was covered, it was covered in future years. Hansen said per the 2020 budget Parks negative cash would project to roughly -\$69,000 on 12/31/2020, if 2020 revenues equal expenditures. Kuhl asked to be kept informed. MOTION: Moved by Griffin, seconded by Kuhl to table the item. VOICE VOTE: Motion carried.
 - d. Tax Incremental Finance Districts 1-4, Return On Investment By Project Report. MOTION: Moved by Kuhl, seconded by Griffin to table the agenda item until such time as a report is ready.
 - e. January Financial Statements. MOTION: Moved by Kuhl, seconded by Griffin to recommend Council approval of the disbursements, payroll and reports. ROLL CALL: Ayes: Kuhl, Griffin and Thomas. Noes: None. Motion carried.
 - i. General Disbursements - \$2,014,975.75 ***
 - ii. Payroll – being calculated - \$108,405.85 ***
 - iii. Treasurer's Report & Budget Reports ***
6. FUTURE AGENDA ITEMS AND ANNOUNCEMENTS ## Committee Calendar. Noted.
7. ADJOURNMENT. MOTION: Moved by Kuhl, seconded by Griffin to adjourn. VOICE VOTE: Motion carried. The time was approximately 6:50 pm.

Mo Hansen

Mo Hansen
Clerk/Treasurer

Item 4a

Committee Chair Thomas has indicated a preference to focus on items lower in the agenda on 3/19. Purchasing Policy examples he has submitted are included here for reference

NEXT 100 PAGES

| | | |
|---|--|---------------------------------------|
| CITY OF BARABOO | TITLE: PURCHASING POLICY | |
| TARGET AUDIENCE: City Departments; City Employees; Utilities and other component units funded by City taxpayers or ratepayers, either in whole or in part; Community Development Authority; Vendors | POLICY SOURCE: Finance Department | PAGE NUMBERS: 16 |
| DATE APPROVED BY COUNCIL: March 22, 2017 | DATE AMENDED BY COUNCIL: April XX, 2019 | ATTORNEY REVIEW: February 19, 2019 |

**SECTION 1
POLICY OBJECTIVES**

- 1.1 Objectives. The objectives of the City's Purchasing Policy are:
1. To ensure that materials, equipment and services are purchased at the lowest prices consistent with quality and performance,
 2. To provide adequate controls over City expenditures and financial commitments with proper documentation,
 3. To obtain quality goods required by City departments and to ensure that these goods are at the place needed at the time needed, and;
 4. To provide a standardized system of purchasing for use by all City departments.

**SECTION II
COMPETITIVE BIDDING**

- 2.1 Policy. It is the policy of the City of Baraboo to procure needed materials, equipment and services at the lowest cost consistent with quality and performance. Therefore, City purchases will be made only after price quotations have been obtained or attempted to have been obtained from different suppliers through either formal or informal means, if required pursuant to this Policy.
- 2.2 Obtaining Bids. Unless required by State Statute, it shall be the Department Heads discretion on the method of obtaining bids and proposals. Options include invitations to bid and proposals by US mail, e-mail, and publication in the official newspaper, telephone contacts or verbal requests. Purchases shall attempt to obtain bids or proposals from at least three (3) vendors to ensure that comparison pricing is demonstrated.
- 2.3 Exceptions. The only exceptions to this Policy are:
1. Sole-source purchases (i.e., when only one known supplier is available): includes diagnostic vehicle repairs and warranty work that needs to be done by service providers equipped and trained for repairs on the make and model of equipment being repaired.
 2. Emergency purchases and repairs covered by insurance proceeds.
 3. Items purchased by State contract.
 4. Purchases paid with grant funds which require specific purchasing procedures;
 5. Professional services where the City Administrator has waived bidding requirements.
 6. Other justifications as identified by a Department Head and approved by the City Administrator.
 7. For purchases below \$1,000, the bidding/proposal process is waived although the purchaser is expected to compare prices for routine purchases and supplies. The intent is to look for quality and price over convenience, wherever practical.

- 2.4 Prohibited Conduct. The intentional staggering of purchases as well as dividing purchases and/or contracts to consciously evade this policy is strictly prohibited.
- 2.5 Competitive Bidding Process. To assist Department Heads in the bidding process, templates are available from the City Attorney and Finance Director for soliciting bids. Templates are also available for RFIs, RFPs and RFQs:
- *Request for Bid (RFB)*: Commonly used when deliverables are commodities for which there are clear specifications and when price will be the primary determining factor.
 - *Request for Information (RFI)*: Commonly used to develop lists of qualified sellers and gain more input for resource availability.
 - *Request for Proposal (RFP)*: Commonly used when deliverables are not well-defined or when other selection criteria will be used in addition to price.
 - *Request for Quotation (RFQ)*: Commonly used when deliverables are commodities for which there are clear specifications and when price will be the primary determining factor. Unlike an RFB, this solicited price quote is used for comparison purposes and is not a formal bid for work.
- 2.5.1 Tie Bids. If two or more bids are in the same amount or unit price, quality, service and other factors deemed relevant being equal, the contract shall be awarded to a bidder whose principal place of business is located within the City limits, if any. If there is not a City of Baraboo bidder, the Department Head should award the contract to one of the tie bidders by cutting a deck of playing cards, with the highest card being awarded the bid.
- 2.5.2 Rejection of Bids. Department Heads have the authority to reject bids or parts of bids, or all bids, where the public interest will be served. In all cases, the Department Head has the authority to re-advertise and re-bid any proposed purchase or to reject all bids and to negotiate a purchase directly with any supplier if this procedure is deemed most advantageous to the City.
- 2.5.3 Bidders in Default to the City. A Department Head should not accept the bid of any supplier who is in default or delinquent in the payment of taxes, licenses, forfeitures, or any other moneys whatsoever due the City.
- 2.5.4 Selecting Bid. In addition to price, Department Heads may consider the following factors in selecting the acceptable bid:
1. The ability, capacity and skill of the bidder to perform the contract or provide the service required.
 2. Whether the bidder can perform the contract or provide the service promptly, or within the time specified, without delay or interference.
 3. The character, integrity, reputation, judgment, experience and efficiency of the bidder.
 4. The quality of performance of previous contracts or services by the bidder.
 5. The previous and existing compliance by the bidder with laws and ordinance relating to the contract or service.
 6. The sufficiency of the financial resources and ability of the bidder to perform the contract or provide the service.
 7. The quality, availability and adaptability of the supplies or contractual services to the particular use required.
 8. The ability of the bidder to provide future maintenance and service for the use of the subject of the contract.
 9. The number and scope of conditions attached to the bid.

SECTION III
CENTRAL PURCHASING

- 3.1 Policy. Many of the items purchased by the City are commonly used by all or several departments. By consolidating the needs of all departments, the City can take advantage of price discounts for large quantity orders of these items. Annual orders are encouraged. Department Heads and all purchasers are strongly encouraged to work together to coordinate purchases of common items between departments.

SECTION IV
PURCHASE RELATED CHARGES AND ALLOWANCES

- 4.1 Shipping and Freight. It is the policy of the City to avoid paying shipping charges whenever possible. If the City is to pay shipping charges, it must be billed at the time of invoicing. Purchasers, when obtaining price quotations, should inquire into applicable freight charges. Any charges to be paid by the City will be regarded as part of the price quotation when selecting the successful bidder and noted on the purchase requisition. Unless otherwise stated in the RFP/RFQ, all formal bids and proposals shall include freight and delivery charges, if any.
- 4.2 Sales Tax Exemption. The City is exempt from paying city, county and state sales tax. Purchasers have the responsibility to inform vendors of tax exempt status. Tax exempt forms are available in the City Finance Director's office. Invoices received by the City that include sales tax will be amended by reducing the amount of sales tax prior to payment.
- 4.3 Vendor Discounts. It is the policy of the City to take advantage of all available vendor discounts. The following considerations should be kept in mind:
1. Cash discounts are offered for prompt payment, usually within ten days of the date of the invoice. Department Heads can aid the City by ensuring that their copy of the purchase order is signed and forwarding invoices to the Finance Director's office promptly for inclusion in accounts payable batches. The Finance Director will notate, "Redeemed Prior to Council" for items released prior to Council.
 2. Trade discounts are sometimes offered to municipalities for the purpose of attracting business. In most cases, the City will not be offered a trade discount unless the purchaser asks if one is available. Therefore, it is essential that Purchasers ask if trade discounts are available when obtaining price quotations.

SECTION V
COOPERATIVE PURCHASING

- 5.1 Policy. Cooperative purchasing between the City and the State of Wisconsin or between the City and other local governments can result in significant savings on the purchase price of many items. The Finance Director shall have the authority to analyze the desirability of cooperative purchasing arrangements and to make recommendations to the City Administrator. The City Council encourages cooperative purchasing but maintains the right to reject any or all such agreements. It is the policy of the City to enter into cooperative purchasing agreements when:
1. Substantial savings will result;
 2. Quality, availability, or service will not be sacrificed;

3. The City will be separately billed for its purchases;
4. Ordered items will be delivered directly to the City (unless otherwise agreed to).

SECTION VI

CHARGE CARDS

- 6.1 **Policy.** During the course of everyday business, situations arise that call for the use of a charge card. Some examples of these situations might be making flight reservations, booking a hotel in connection with a conference, purchasing government publications on-line, etc. A charge card is not meant to interfere with any of the other policies and/or procedures currently in place in terms of purchasing needed items and/or services for the City. Its use is meant to enhance or augment the City's ability to make purchases in the most efficient manner possible. Purchase orders and competitive pricing practices are still required for items purchased on a charge card if above \$1,000 dollars.
- 6.2 **Use of Card.** The charge card shall be used where necessary purchases: (1) cannot be billed or invoiced to the City and (2) can only be made by a charge card by policy of the vendor. For example: on-line booking of air travel or seminar registration. It is suggested to routinely ask if the company would bill the City as this would be the preferred method of payment.
- 6.2.1 **Examples of when the charge card **MAY** be used:**
1. Lodging (*registering in advance and paying upon departure*).
 2. Some transportation: Flights, car rentals, trains, inter-city buses (*see below for exceptions when card cannot be used in this category*).
 3. Registration fees for conferences and seminars.
 4. Costs associated with business-related training.
 5. Online purchases for items such as government or business-related literature.
 6. Meal costs (*including the standard 15% tip*) as follows:
 - a. Costs must follow the standards established in the City's Travel Guidelines/ Expense Reimbursement Policy.
 - b. Group meetings where the City is paying (must receive prior approval of the City Administrator whose approval means that it is appropriate for the City to pay the expense).
 - c. The City will allow tips up to 15% of the bill to be applied to the charge card. If a tip is made that is in excess of 15%, the overage should be left by the employee in cash and will not be recoverable from the City as a valid expense.
 - d. Employees do not need to obtain tax exemption for individual meals or groups up to three (3) people. Groups over three should try to obtain the tax exempt status. (See Tax Exemption section of this policy below.)
- 6.2.2 **Examples of when the charge card **MAY NOT** be used:**
1. Taxi fares, intra-city bus lines.
 2. Tips, except when it is part of an approved meal cost.
 3. Personal purchases of any kind.
 4. Cash advances.
- 6.3 **Employee Access to Credit Card.** Department Heads are responsible for determining the individual(s) in their organization who will have a charge card. **Employees may not make purchases without the prior knowledge of the Department Head.** Approved employees will be required to sign an agreement that:
1. Acknowledges that they understand the purpose of the use of credit cards,

2. Certifies that they have read and understand the City's Purchasing Policy,
 3. Confirms that improper use of the card may result in disciplinary action up to and including termination of employment; and
 4. Guarantees return of the card to the Department Head for reasons such as, but not limited to:
 - a. Change in duties,
 - b. Retirement,
 - c. Termination of employment,
 - d. Improper use, or
 - e. Any other sound reason determined by the Department Head or City Administrator.
- 6.4 Tax Exemption. Purchases made on credit cards are still eligible for tax exemption. The City, as a government office, is exempt from paying tax on purchases. Those who will be issued cards will be given the tax exemption number. Certificates are available by contacting the Finance Department. The Purchaser is responsible to provide the vendor proof of the City's tax exempt status at the time the charge is incurred.
- 6.5 Automatic Payroll Deduction. If a meal (plus tip) purchase exceeds that which is allowed by the City's Travel Guidelines/Expense Reimbursement Policy, located in the Employee Handbook,, or if an unauthorized charge occurs, or if a good faith attempt to receive a tax exemption is not made, the employee must immediately reimburse the difference between what is allowed and the dollar amount being charged to the Finance Department. If the employee does not submit the difference to the Finance Department, that lack of action acts as the employee's permission for an automatic payroll deduction for the unauthorized charges or the amount in excess of what is allowed to be taken from the employees next payroll check.
- 6.6 Documentation. As with any purchases made for the City, paperwork is required. To ensure that our Finance Department can make payment of the charge card debt in a timely manner, it will be necessary for the following rules to be followed:
1. Employees who use a City charge card shall, as soon as possible after making a purchase, submit supporting documentation to the Department Head. Supporting documentation may include:
 - a. The vendor's detailed sales receipt;
 - b. Itineraries;
 - c. Rental agreements;
 - d. Completed registration flyers,
 - e. Renewal notification letters,
 - f. Order confirmations.
 2. Documentation must include the name of the vendor providing the goods or services, the date (and time for meal reimbursements), the employee(s) involved, the goods and services received, the amount, and the business purpose.
 3. All sales documentation needs to be clearly marked as a charge card purchase with the department/card number indicated and the name of the employee who made the purchase.
 4. Department Heads will approve the purchase that was made by placing an account code and signing the submitted documentation as they would with any other request for payment. Include the purchase order number on the invoice.
 5. Department Heads or designee must enter the documentation information into the City's financial software.
 7. The charge card statement will be mailed directly to the Finance Department. All sales slips should be in the Accounts Payable Department by the time the statement gets here. Accounts Payable will match up the slips to the statement. Statements will only be distributed when information is missing.

We are required by the charge card vendor to make an electronic payment within 14 days of the statement date so we do not have time to search for information.

8. Charge card purchases will have to be paid before Council can approve them. We will include the vouchers in the Council batch following the end of the month when we process our batch of all electronic payments made for the month. Based on the vendor's statement date of the 25th, it will miss the cycle at the end of the current month and would have to wait another month. These vouchers would then be 7 to 11 days past the purchase date by the time the Council sees them.
 9. Upon leaving employment, or when an employee no longer needs to have the charge card, the Department Head will be responsible for retrieving it. The Finance Director or his/her designee will maintain a list of employees to whom cards have been issued. Department Heads therefore must inform the Finance office when it is necessary to either reassign a card or to remove the employee's name from the list of those who are holding a City charge card.
- 6.7. Loss of Privilege. If an employee exhibits non-compliance with these procedures, discipline for non-compliance may occur, up to and including the loss of privilege to use the charge card or termination. A Department Head has the right to establish additional restrictions on City charge card use within his/her respective department

SECTION VII

FLEET FUEL CHARGE CARDS

- 7.1. Department Use of Card. All fuel for City owned vehicles and equipment will be purchased using a fleet charge card. The following department's vehicles have been issued a fleet card for each City owned vehicle or equipment:
- Fire Department
 - Police Department
 - Engineering Department
 - Building Inspector
 - Administration
 - Water Department
 - Sewer Department

The following departments have employees that have been selected to receive fleet charge cards in their name on behalf of the City:

- Department of Public Works
 - Parks Department
- 7.2. Department Head Responsibilities. The respective Department Head will be responsible for reporting and managing authorized users for their department to the Finance Director.
- 7.3. Employee's Use of Fleet Charge Card. The Department Heads are responsible for determining the individual(s) in their organization who will have a fleet charge card. All users will be issued a Personal Pin # and will be required to enter the pin at the pump (or at the cashier) to authorize the fuel purchase. All purchases can and will be tracked by the department, vehicle and user. The Department Head has the right to establish additional restrictions on City fleet charge card use within his/her respective department. Those individuals will be required to sign an agreement that:
1. Acknowledges that they understand the purpose of the program;
 2. Certifies that they have read and understand this Fleet Charge Card Policy Section of the City's Purchasing Policy.
 3. Confirms that improper use of the card may result in disciplinary action up to and including termination of employment; and
 4. Guarantees return of the card to the Finance Director for reasons such as, but not limited to:

- a. Change in duties,
- b. Retirement,
- c. Termination of employment,
- d. Improper use, or
- e. Any other sound reason determined by the Department Head or City Administrator.

7.4 Automatic Payroll Deduction. If an unauthorized charge occurs, the employee must immediately reimburse the dollar amount being charged to the Finance Department. If the employee does not submit payment to the Finance Department, that lack of action acts as the employee's permission for an automatic payroll deduction for the unauthorized charges or the amount in excess of what is allowed to be taken from the employees next payroll check.

7.5 Documentation - As with any purchases made for the City, paperwork is required. To ensure that our Finance Department can make payment of the charge card debt in a timely manner, it will be necessary for the following rules to be followed:

1. Employees who use a City fleet charge card shall, as soon as possible after making a purchase, submit supporting documentation to the Department Head. Supporting documentation may include:
 - a. The vendor's detailed sales receipt.
 - b. Documentation must include the name of the vendor providing the goods, the employee(s) involved, vehicle or equipment the fuel is for, the amount, and the date.
2. All sales documentation needs to be clearly marked as a charge card purchase with the department/card number indicated and the name of the employee who made the purchase.
3. Department Heads will receive the fleet card statement at the end of each billing cycle, and approve the purchases made by writing the proper account code and signing the statement. The Department Head will be required to attach the supporting documentation to each statement.
4. Department Heads or designee must enter the documentation information into the City's financial software.
4. Department Heads or designee will promptly place the approved charges in the Accounts Payable basket in the Finance Department.
5. Upon leaving employment or there is no longer a need for an individual to have a fleet charge card, the Department Head will be responsible for retrieving the card. The Finance Director or designee will maintain a list of employees to whom cards have been issued. Department Heads therefore must inform the Finance Department when it is necessary to either reassign a card or to remove the employee's name from the list of those who are holding a fleet charge card.

7.6 Loss of Privilege. If an employee exhibits non-compliance with these procedures, discipline for non-compliance may occur, up to and including the loss of privilege to use the charge card or termination. A Department Head has the right to establish additional restrictions on City charge card use within his/her respective department.

SECTION VIII

SALE OF SURPLUS PROPERTY

8.1. Tangible Property. City property is declared "surplus" when it is no longer necessary, practical or economical to be retained by the City. Department Heads are responsible for identifying surplus furniture, equipment, supplies, etc., in their departments. The City Administrator or designee is responsible for the sale or disposal of all surplus property. The City Administrator or designee shall determine the best

method for sale or disposal of the surplus property. Such methods shall include internet postings on well-known sites such as eBay or Craigslist, public bid, public auction or private sale.

- 8.2 Police Unclaimed Property. In accordance with Wisconsin State Law, the Baraboo Police Department sells at public auction all lost, abandoned, unclaimed, forfeited or stolen property remaining in the possession of the Police Department for a period of six months without a lawful claimant, except that unclaimed bicycles may be auctioned after a three-month waiting period. The Police use the services of a public internet auction site.
- 8.3 Real Estate. Whenever City owned property is proposed for sale, there should be an internal review conducted by the City Administrator and Department Head to determine whether the City may need the parcel in the future and for what purpose. The City Administrator will then prepare a report for Plan Commission for review. The Plan Commission will consider the land sale request, along with the Administrator's Report on the property, and then prepare a recommendation based on zoning or land use of the property. The Plan Commission recommendation will then be submitted to the Finance Committee who shall consider whether an appraisal is necessary, how the property may be disposed of, and then forwards a recommendation on to the City Council for final action. The City Administrator is responsible for carrying out the Council's actions for disposition of the property. Property may be disposed of by public auction, sealed bids, or by a mutual sales agreement.

SECTION IX

PURCHASING PARAMETERS

- 9.1 Routine Budgeted Purchases. Routine budgeted purchases made by the City of Baraboo may be grouped under the following categories:
1. Purchases under \$1,000 are authorized by a Department Head without further authorization except that purchases shall meet the competitive bidding requirements, as outlined in this Policy, and the item is included in the current budget.
 2. Purchases from \$1,000 to \$10,000 dollars shall be approved prior to ordering by the Finance Director but only after the Department Head complies with competitive bidding requirements, forwards a completed purchase order with copies of bids or quotes received to the Finance Director, and the item is included in the current budget.
 3. Purchases from \$10,001 to \$50,000 shall be approved prior to ordering by the City Administrator, but only after the Department Head complies with competitive bidding requirements, forwards a completed purchase order with copies of bids or quotes received to the Finance Director, and the item is included in the current budget.
 4. Purchases over \$50,000 shall be approved prior to ordering by the City Finance/Personnel Committee, but only after the Department Head complies with competitive bidding requirements, forwards a completed purchase order with copies of bids or quotes received to the City Finance Director, and the item is included in the current budget.
- 9.2 Construction and Public Works Contracts. Construction and public works contracts must be advertised and bid according to state law.
- 9.3 Department Head Responsibilities. Except for labor, Department Heads shall request transfers of budgeted funds in the General Fund within each function code as part of their purchase order requisition in the "Notes" section. Department Heads are required to monitor total spending for each of their function budgets and not exceed the total budgeted amount for each function. The total budget for each

function will be considered the spending parameter for legal notice purposes. These transfers are approved or denied as part of the purchase order processing according to the thresholds set in this policy for the Finance Director and/or the City Administrator.

9.4 Unbudgeted or Under-Budgeted Purchases. The Common Council, by way of a recommendation from the City's Finance/Personnel Committee, must approve all non-budgeted purchases prior to purchasing. The Department Head must still comply with competitive bidding requirements and forward a completed purchase order with copies of bids or quotes received to the City Finance Director.

9.5 Purchase Orders.

1. A Purchase Order is required before a purchase is made to obtain goods and services for the following:
 - a. Operating supplies
 - b. Office supplies
 - c. Clothing acquisitions
 - d. Small tools and minor equipment
 - e. Maintenance and repair supplies
 - f. Equipment Rentals (requests shall state approximate hours and rental cost per hour)
 - g. Printing
 - h. Office furniture or equipment
 - i. Capital Outlay Items
 - j. Services not covered by a contract
2. A Purchase Order is not required for the following purchases:
 - a. Professional contracted service such as legal, architectural, engineering, auditing, maintenance contracts and janitorial contracts, if the contract has been approved by the Council.
 - b. Utility expenditures such as electricity, natural gas, cable TV and telephone service.
 - c. Payroll and related expenses such as employee hospitalization, insurance payments, pension payments and mandatory state and federal employee withholding.
 - d. Routine expenditures such as insurance premiums, and bond payments that have received prior Council approval and authorization.
 - e. Reimbursement to citizens for a canceled recreation program.
 - f. Employee reimbursement for miscellaneous out-of-pocket expenses.

9.6 Purchasing Procedure. The following is the standard procedure to be used for all purchasing categories after proper authorization is secured. Also see Appendix C – General Purchasing Workflow for Departments.

1. The Department Head or designee shall follow procedures listed in this policy and the Baraboo Municipal Code for all purchases.
2. The Department Head or designee will complete a requisition using the Purchase Order module associated with the City's accounting software.
3. Request must include required competitive bidding obtained, including quotes or bids received, and budget amendments or transfer requests to ensure that the purchase will not exceed the approved budget.
4. The Finance Director will return a response to the Department of purchase who shall include the PO number on the invoice and packing slip.
5. When the material or service has been received and accepted, the Department Head will

write the PO on applicable invoices and packing slips to the Finance department for processing. Invoices shall indicate approval for payment by the Department Head whose budget accounts will be affected by the payment. If partial shipments are received, the Department will submit applicable invoices marked in the same manner previously described to the Finance Department in order to make timely payments.

6. The Finance Department will review the invoices awaiting payment for accuracy, discounts available, erroneous sales tax charges and may make changes if errors are found.
7. All financial obligations, after administrative review, shall be submitted to the Council for approval at the regular meetings of the Council. The City Administrator is authorized to deviate from this point when it is in the best interests of the City to take advantage of discounts offered by suppliers or contractors, which if not pursued, would result in additional costs to the municipality. Said payments shall be listed for Council approval also, but the checks may be released early if the in the best interest of the City.

SECTION X

PROCEDURES FOR CONTRACTED SERVICES AND OTHER CONTRACTED PURCHASES

- 10.1 Contracts Defined. For purposes of this policy, “contracts” are defined as any document:
 1. Requiring signature of statutory officers of the City.
 2. Expressly waiving liability of the vendor.
 3. Expressing a scope of service to be performed by the vendor.
 4. Placing conditions (other than payment) upon the City.
 5. Contracts also include lease agreements and memorandum of understandings (MOU’s).
- 10.2 Competitive Bidding. Department Heads must follow all competitive bidding requirements for procuring contracted services or purchases. However, a purchase order is not needed in these instances.
- 10.3 Signatories. The signatories for the City are the City Clerk, Mayor and the City Administrator, each of whom are authorized to execute the contracts without additional Council action; two of the three persons must sign each contract. Department Heads do not have legal standing to enter into contracts on behalf of the City unless expressly authorized to do so by the City Council.

The City Administrator shall have authority to sign contracts to purchase vehicles or equipment without an additional signatory provided they are included in the annual budget and meet the guidelines of the purchasing policy.

- 10.4 Contract Review. All contracts must be reviewed by the City Attorney as to form prior to the execution of the contract. Department Heads should submit contracts to the City Attorney as soon as possible for timely review – ideally at least one business week prior to the execution date. All questions about whether a document is a contract should be directed to the City Attorney prior to execution of the document.

SECTION XI

EMERGENCY PURCHASES

- 11.1 Policy. Emergency purchasing procedures should only be used when normal purchasing channels are not feasible. Emergency purchases may be made:

1. When there is a need for immediate delivery of items.
2. To prevent delays in work or construction schedules.
3. When there is an immediate threat to employees, public health or safety, or
4. To meet emergencies rising from unforeseen causes.
5. When there is an emergency declaration.

11.2 Emergency Purchases over \$1,000. For emergency purchases over \$1,000, the Department Head shall take the following steps:

1. Notify the City Administrator of the emergency and receive a waiver of the provisions of the purchasing policy.
2. Complete a purchase requisition after the fact and document emergency status in the “Notes” section.

SECTION XII

GRANTS AS A REVENUE SOURCE

12.1 Policy. Prior approval from the Finance/Personnel Committee is required when the grant requires a City matching contribution. Approval must be granted prior to the submission of the grant application. City matching contributions are defined to include any monetary contribution, change in service or staffing.

SECTION XIII

DONATION POLICY

13.1 Policy. The purpose of this policy is to establish a formal process for acceptance and documentation of donations made to the City and to ensure compliance with applicable laws and accounting procedures. This policy supersedes other departmental policies regarding these issues. This policy provides guidance when individuals, community groups, and businesses wish to make donations to the City. This policy also establishes the standards for City employees and City officials regarding the acceptance of gifts and fundraising activities during the performance of City business.

13.2 Types of Donations. Donations may be offered in the form of cash, real or personal property. Designated donations are those donations that the donor specifies for a City department, location, or purpose. Undesignated donations are those donations that are given to the City for an unspecified use. Designated donations may only be accepted when they have a purpose consistent with the City’s goals and objectives and are in the best interest of the City of Baraboo.

13.3 Acceptance of Donations. Based on the value of the donation offered as outlined below, appropriate City staff shall review every donation and determine if the benefits to be derived warrant acceptance of the donation. The following points list the threshold amounts for donation acceptance.

1. Offers of donations of cash or items valued at \$5,000 or below shall be considered for acceptance the Department Head.
2. Offers of donations of cash or items valued more than \$5,000 and up to \$50,000 shall be considered for acceptance the City Administrator. All donations over \$10,000 shall be reported to the City Council as informational.
3. Offers of donations of cash or items valued more than \$50,000 shall be considered for

acceptance by the City Council. Conations valued at more than \$50,000 require acceptance through a written agreement consistent with these guidelines and approved by the City Council.

- 13.4 Acceptance of Designated Donations. Prior to acceptance of designated donations, appropriate City staff will review the conditions of any designated donation and determine if the benefits to be derived warrant acceptance of the donation. Criteria for the evaluation include but are not limited to:
1. Consideration of an immediate or initial expenditure required in order to accept the donation;
 2. The potential and extent of the City's obligation to maintain, match, or supplement the donation; and
 3. The need for the property, including where and what type of property it is.
- 13.5 Fundraising. Solicitation of voluntary contributions shall not violate the Code of Ethics for local officials under Wisconsin Statutes and City of Baraboo Code of Ordinances. In addition, no solicitation shall state or imply that a donation will influence or affect how the party is treated by City officer and employees.
1. All fundraising and solicitation efforts shall be consistent with the missions, goals, and mandates of the City. Solicitation for business, commercial, or personal reasons by City employees not directly related to City operations is prohibited. All donated funds or property become public property upon acceptance and shall be used or expended for public purposes.
 2. All significant fundraising and solicitation efforts, as reasonably defined by the City Administrator, which support City programs and projects shall be authorized by the City Council after prior review and recommendation by the appropriate oversight Committee, Commission or Board. Council authorization may include continuing authorization or authorization for a one-time only project.
- 13.6 Accounting. Following donation acceptance, the Department shall obtain written approval of Finance Director or delegate regarding procedures to account for the donation. Said approval shall include proper accounting protocols for fundraising revenues and expenditures to be coordinated through the office of the Finance Director. No Department shall be allowed to maintain a checking or savings account for fundraising activities that tis separate from the City accounting system. The Finance Director shall also be responsible for ensuring donated property is properly insured upon acceptance of said property.
- 13.7 Status of Donated Property. All donated property given to the City of Baraboo becomes the property of the City to oversee, maintain, and manage and may be used in the complete discretion of the City, unless the parameters of the donation specifically require otherwise. The City will decide when changes shall be made to any facility or materials, with no guarantee of donated items being retained. If personal property becomes obsolete, the City will attempt, if possible, to find another use for the property. The City is not required to maintain the property beyond its useful life. The City does not guarantee future funding for repair, maintenance, use or replacement of donated items.
- 13.8 Library Donations. All donations to the library are governed by its Gift Policy adopted November 19, 2013, and as amended.

SECTION XIV
MISCELLANEOUS CONSIDERATIONS

- 14.1 Encumbrances and Financial Recordkeeping. Encumbrances are commitments related to purchase orders or contracts that have been issued, but for which no goods or services have yet been received. Encumbrances are recorded as they occur for budgetary control purposes.

The issuance of a purchase order or the signing of a contract creates an encumbrance of the amount required to be paid during the current year. This amount is no longer available for obligation or expenditure, unless the purchase order or contract is canceled. Encumbrance records shall be maintained by the City Finance Director.

- 14.2 Non-Budgeted Items. Purchases that have not been provided for in the current budget will require Council approval through budget transfers or amendments. The Department Head shall notify the City Finance Director and provide written documentation regarding the expenditure. This information will be provided to the Finance Committee for a recommendation to Council concerning purchase approval and necessary budgetary transfers or amendments.

- 14.3 Insurance Claim and Settlement Proceeds. Purchases resulting from an accident or loss covered by the City's insurance policy or legal settlement will be treated as non-budgeted items. Although money will be received from the claim or settlement, this is deposited into an "Insurance Proceeds" revenue account. Purchases will be expended from the appropriate capital outlay or maintenance account, hence necessitating a budget amendment.

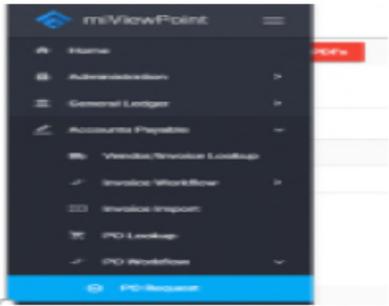
- 14.4 Property Room Surplus. Police Department property room surplus items shall be disposed of at the discretion of the Police Chief or designee and pursuant to State Statute. Any proceeds from the sale of said items shall be entered into the Police Property Surplus budget.

- 14.5 Local Merchants. The City will give utmost consideration to local merchants taking price and service into account.

- 14.6 Conflict Of Interest. Employees of the municipality are regulated by §946.13, Wis. Stat., and §1.77, City Code, concerning conflicts of interest. The statutory amount that an employee can earn directly or indirectly per 12-month period from the City for doing contracted work for the City is \$15,000.00. For lesser amounts, it shall be unethical for any City employee to participate directly or indirectly in a purchase or contract when the City employee or any member of the employee's immediate family has a financial interest pertaining to the contract or purchase unless the contract has been competitively bid or the service is highly specialized and only one supplier is available, and the employee has followed the procedure set forth in §1.77, City Code,.

- 14.7 New Vendors. New vendors must be approved and created by the Finance Department prior to the purchase being initiated to satisfy internal control procedures. The Purchase Order Software will not complete the requisition process until the vendor has been created. To facilitate approval, complete the New Vendor Request Form and submit it to the Finance Department.

Utilizing miViewPoint



Here is where you attach back up.

PO Number automatically generated

If you are using a single vendor for multiple purchases, use blanket PO

This should populate when you select a vendor.

This amount must agree with the Extended Price below.

Vendor Name: Select a vendor
 PO Number: 2019
 PO Type: Regular
 Blanket PO: Select a blanket PO number
 Total Amount: .00
 Department: Select a department

Search To Address: Select an address
 PO Date: 02/05/2019
 Issue Date: 02/05/2019
 Shipping: Select a shipping location
 Default GL Period: 02/1/19 (1/29/2019)
 Notes: Enter any notes
 Show Notes on PO Form

| Description | GL Account | Quantity | Unit Price | Extended Price | Unit Price | Notes | Shipping | PO | Budget |
|-------------|------------|----------|------------|----------------|------------|-------|----------|----|--------|
|-------------|------------|----------|------------|----------------|------------|-------|----------|----|--------|

Input the purchase description here.

Make sure the Extended Price agrees with the total above

The Extended Price should not exceed budget. If it does, a budget amendment is needed.

| Description | GL Account | Quantity | Unit Price | Extended Price | Unit Price | Notes | Shipping | PO | Budget |
|-------------------|------------|----------|------------|----------------|------------|-------|----------|----|--------|
| Disruptive impact | | 1.00 | \$1.00 | \$1.00 | | | | | 00.00 |

PURCHASING WORKFLOW FOR CITY DEPARTMENTS

City departments may use this as a general guide for purchases, but this is intended to be a summary only and does not supersede the material contained in the Purchasing Policy.

PURCHASE UNDER \$1,000

1. Department verifies purchase is within budget or obtains approval from Council via Finance/Personnel Committee.
2. Department should competitively bid, but not required.
3. Department determines if purchase will require a contract.
 - If YES:
 - a. Submit vendor's contract to City Attorney for review or contact City Attorney for contract drafting.
 - b. Contract is signed by Finance Director, City Administrator or Mayor (2 of 3) AFTER the vendor has signed.
 - c. Original copy of contract goes to City Clerk for filing in the Vault.
 - If NO:
 - a. Department places order.
 - b. Invoice must be entered into *MiViewPoint* and original placed in basket in Finance Dept.

PURCHASE BETWEEN \$1,000 - \$10,000

1. Department verifies purchase is within budget or obtains approval from Council via Finance/Personnel Committee.
2. Department competitively bids for the purchase pursuant to Purchasing Policy.
3. Department completes purchase order requisition and submits copies of bids/quotes to Finance Department (*done in MiViewPoint*).
4. Finance Director approves purchase order requisition.
4. Department determines if purchase will require a contract.
 - If YES:
 - a. Submit vendor's contract to City Attorney for review or contact City Attorney for contract drafting.
 - b. Contract is signed by Finance Director, City Administrator or Mayor (2 of 3) AFTER the vendor has signed.
 - c. Original copy of contract goes to City Clerk for filing in the Vault.
 - If NO:
 - a. Department places order.
 - b. Invoice must be entered into *MiViewPoint* and original placed in basket in Finance Dept.

PURCHASE BETWEEN \$10,001 - \$50,000

1. Department verifies purchase is within budget or obtains approval from Council via Finance/Personnel Committee.
2. Department competitively bids for the purchase pursuant to Purchasing Policy.
3. Department completes purchase order requisition and submits copies of bids/quotes to Finance Department (*done in MiViewPoint*).
4. Finance Director approves purchase order requisition.

5. City Administrator approves purchase order requisition.
- 6.. Department determines if purchase will require a contract.
 - If YES:
 - a. Submit vendor's contract to City Attorney for review or contact City Attorney for contract drafting.
 - b. Contract is signed by Finance Director, City Administrator or Mayor (2 of 3) AFTER the vendor has signed.
 - c. Original copy of contract goes to City Clerk for filing in the Vault.
 - If NO:
 - a. Department places order.
 - b. When Department receives bill/invoice, this must entered into *MiViewPoint*

PURCHASE \$50,001+

1. Department verifies purchase is within budget or obtains approval from Council via Finance/Personnel Committee.
2. Department competitively bids for the purchase pursuant to Purchasing Policy.
3. Department completes purchase order requisition and submits copies of bids/quotes to Finance Department (*done in MiViewPoint*).
4. Finance Director approves purchase order requisition.
5. City Administrator approves purchase order requisition.
6. Purchase Order requisition requires approval from Common Council ONLY IF the item was not previously approved by Council.
7. Department determines if purchase will require a contract.
 - If YES:
 - a. Submit vendor's contract to City Attorney for review or contact City Attorney for contract drafting.
 - b. Contract is signed by Finance Director, City Administrator or Mayor (2 of 3) AFTER the vendor has signed.
 - c. Original copy of contract goes to City Clerk for filing in the Vault.
 - If NO:
 - a. Department places order.
 - b. Invoice must be entered into *MiViewPoint* and original placed in basket in Finance Dept.

**CITY OF BEAVER DAM, WISCONSIN
PROCUREMENT POLICY****POLICY OBJECTIVE**

The City of Beaver Dam has adopted this procurement policy in order to provide City employees with uniform guidance in the procurement of professional services. The controls and procedures set forth are intended to provide reasonable assurance that the most cost effective service that serves the best interests of the City of Beaver Dam is obtained, while balancing the need for flexibility and efficiency in departmental operations.

COVERAGE

This policy applies to the procurement of professional services by all departments and divisions of the City of Beaver Dam. More restrictive procurement procedures required by grants, aids, statutes or other external requirements or funding sources will take precedence. Nothing in this policy shall limit the statutory authority granted to the Police and Fire Commission or the Library Board.

GOALS

1. To encourage open and free competition to the greatest extent possible.
2. To receive maximum value and benefits for each public dollar spent.
3. To ensure that all purchase contracts are made in compliance with federal, state and local laws.
4. To prevent potential waste, fraud, abuse and conflicts of interest in the procurement process.
5. To assure proper approvals are secured prior to the purchase, award of contract and disbursement of public funds.

ETHICAL STANDARDS

All procurement shall comply with applicable federal, state and local laws, regulations, policies and procedures. The City's Personnel Policies and Procedures Handbook provides general ethical standards and conduct expectations.

In general, employees are not to engage in any procurement related activities that would actually or potentially create a conflict of interest, or which might reasonably be expected to contribute to the appearance of such a conflict.

1. No employee shall participate in the selection, award or administration of a contract if a conflict of interest would be involved. Such a conflict would arise when the employee, any member of his immediate family, business partner or any organization that employs, or is about to employ, any of the above, has a financial interest or other interest in the firm selected for award.
2. To promote free and open competition, technical specifications shall be prepared to meet the

minimum legitimate need of the City and to the extent possible, will not exclude or discriminate against any qualified contractors or vendors.

3. No employee shall solicit or accept favors, gratuities, or gifts of monetary value from actual or potential contractors, subcontractors or vendors.
4. Employees must maintain strict confidentiality in the procurement process and shall not impart privileged information to any contractors or vendors that would give them advantage over other potential contractors or vendors.
5. Personal purchases for employees by the City are prohibited. City employees are also prohibited from using the City's name or the employee's position to obtain special consideration in personal purchases.

GENERAL GUIDELINES

These general guidelines shall be adhered to as closely as possible by all departments in the procurement of professional services.

1. Purchase of Services is classified into the categories of professional services, contractor services, construction services and combined goods and service contracts.
2. Buy Local - It is the desire of the City to purchase locally when possible. This can be accomplished by ensuring that local vendors are included in the competitive solicitation process that will precede major purchases. It is also the desire of the City to purchase from disadvantaged enterprise businesses whenever possible as defined by Wisconsin Statute 84.06(1).
3. Cooperative Procurement Programs – Departments are encouraged to use cooperative purchasing programs sponsored by the State of Wisconsin or other jurisdictions. Purchases secured through these programs are considered to have met the requirements of competitive procurement outlined in this policy. Additionally, if identical services can be obtained at a lower price than current cooperative purchasing contracts, no additional quotes are required.
4. Purchasing Oversight – Department heads have the responsibility for procurement issues in their individual departments. A department head is defined as the City employee having responsibility for the department on behalf of which moneys were appropriated in the City budget for purchases.
5. Emergencies –When an emergency situation does not permit the use of the competitive process outlined in the policy, the applicable department head, Director of Administration and Mayor may determine the procurement methodology most appropriate to the situation. Appropriate documentation of the basis for the emergency should be maintained and filed with the City Clerk. All emergency purchases exceeding \$25,000 shall require the Department Head to provide written notice to the Common Council. An emergency is defined as flooding, tornado, dam breach, earthquake, FEMA qualified disasters, criminal or terrorist attacks on the City's infrastructure or other threat to employee and/or public health and safety.

6. Identical Quotes or Bids – If two or more qualified bids/quotes are for the same total amount, and quality or service is considered equal the contract shall be awarded to the local bidder. Where this is not practical the contract will be awarded by drawing lots in public.
7. Serial Contracting – No contract or purchase shall be subdivided to avoid the requirements of this policy. Serial contracting is the practice of issuing multiple purchase order to the same vendor for the same good or service in any 90 day period in order to avoid the requirements of the procurement policy.
8. Policy Review – This policy may be periodically reviewed by the Administrative Committee.
9. Protest Procedures – Any interested party who wishes to protest at any point in the procurement process, evaluation, award, or post-award, may do so. An “interested party” must, however, be an actual or prospective bidder or offeror whose direct economic interest would be affected by the award of the contract or by failure to award the contract. Protests must be submitted timely, in writing to the City Clerk, 205 S. Lincoln Ave, Beaver Dam WI 53916 but no later than five (5) working days following final Common Council action on the procurement decision. The protest must contain a detailed statement of the grounds for the protest and any supporting documentation. Upon the receipt of the written protest, the City Clerk will notify the City Attorney, Mayor and Director of Administration who will work to resolve the matter within five (5) working days. If the protester is not satisfied and indicates the intention to appeal to the next step the award will be temporarily suspended unless it is determined that: 1) the service to be procured is urgently required; 2) delivery or performance will be unduly delayed by failure to make the award promptly; 3) Failure to make the prompt award will otherwise cause harm to the City; or 4) The protest has no merit. If the protester wishes to appeal the decision of the City Attorney, Mayor and Director of Administration the matter will be forwarded to the committee, commission or board of jurisdiction and the Common Council for the ultimate local disposition.

COMPETITIVE PROCUREMENT POLICY

1. Purchase of professional services under \$5,000 – The cost of the purchase which has been included within the approved department budget may be made based on the best judgment of the department head. However, it is recommended that competitive quotes be obtained. Specific procurement documentation is not required.
2. Purchase of professional services between \$5,000 to \$25,000 – The cost of the purchase must have been included within the approved department budget. The department **MUST** obtain (3) three written quotations, if possible.
3. Purchase of professional services in excess of \$25,000 – a formal bid process is required.
 - a. Requests for such bids shall be formally noticed. All notices and solicitations of bids shall state the time and place of the bid opening.
 - b. All bids shall be submitted in accordance with instructions supplied by the City.
 - c. All sealed bids shall be opened and recorded by the committee, commission or board of jurisdiction. The department head shall be responsible for the preparation of all plans, bid specifications, notices and advertising. Prequalification of bidders may be

done at the discretion of the department head. A tabulation of bids received shall be available for public inspection. The committee, commission or board of jurisdiction shall recommend award of contract to the Common Council.

- d. In general, the contract shall be awarded to the lowest priced responsible bid. Written documentation or explanation shall be required if the contract is awarded to other than the lowest responsible bidder. This documentation will include a justification as to why it was in the City's best interest to award the contract to other than the lowest responsible bidder.

4. The department head shall administer the purchase.

PURCHASE OF SERVICES

Whenever practical the purchase of services should be conducted based upon a competitive process unless approved otherwise by the committee, commission or board of jurisdiction or the Common Council:

- Contractor services is defined as the furnishing of labor, time or effort by a contractor, usually not involving the delivery of specific goods or products other than those that are the end result of and incidental to the required performance. Examples of contractor service will include but are not limited to: refuse and recycling collection, snow removal, EMS billing services, janitorial, elevator maintenance, mailing, or delivery services. Contractor services shall follow the competitive procurement policy outlined above. The cost shall be determined by considering the maximum total expenditure over the term of the contract.
- Construction services are defined as substantial repair, remodeling, enhancement construction or other changes to any City owned land, building or infrastructure. Procedures found with in State of Wisconsin Statute 62.15 shall take precedence. In absence of guidance in these areas, construction services shall follow the competitive procurement policy outlined above.
- Combined Goods and Services in situations where the purchase combines goods and services (exclusive of construction and contractor services), such as many technology projects, the purchase shall be treated as a purchase of professional services.
- Professional services is defined as consulting and expert services provided by a company, organization or individual. Examples of professional services include: attorneys, certified public accountants, appraiser, financial and economic advisors, engineers, architect, planning and design. Professional services are generally measured by the professional competence and expertise of the provider rather than cost alone.
 1. If it is estimated that the service being solicited has a total cost of over \$25,000 a formal Request for Proposal (RFP) shall be used to solicit vendor responses. The department head shall be responsible for the preparation of all Requests for Proposal specifications, notices and advertising. Prequalification of proposers may be done at the discretion of the department head.
 - a) The Purpose of an RFP is to solicit proposals with specific information on the proposer and the service offered which will allow the City to select the best proposal. The best proposal is not necessarily the proposal with the lowest cost.

- b) Based upon the services or project and the magnitude of the outcome a selection committee may be advisable.
 - c) Requests for proposals shall be formally noticed. All notices and solicitations of proposals shall state the time and place of the proposal opening.
 - d) Information to be requested of the proposer should include : Number of years the proposing company has been in business, company's experience in the area of desired services, financial strength of the company, examples of similar services/projects completed, resumes of staff that will be associated with the project/service, list of references, insurance information. In addition the proposal should provide information about the City, scope of services requested and any outcomes. The proposal should also identify evaluation factors and relative importance.
 - e) Establish selection criteria and include this information with the RFP. It is generally advisable to establish a numeric ranking matrix. This reduces the subjective nature of the rating process.
 - f) Proposals should be solicited from an adequate number of qualified sources. Requests for proposal should be formally noticed. All notices and solicitations should provide the issue date, response due date, date and time of opening responses and a contact person.
 - g) Proposals shall be opened and recorded by the committee of jurisdiction. A tabulation of proposals received shall be available for public inspection. The Department Head and selection committee (if applicable) will then review the proposals and make a selection.
- Service contracts or agreements should be reviewed by the City Attorney.

SOLE SOURCE

Purchase of services under \$25,000 may be made without competition when it is agreed in advance between the Department Head, Director of Administration and the Mayor. Sole source purchasing should be avoided unless it is clearly necessary and justifiable. The justification must withstand public and legislative scrutiny. The Department Head is responsible for providing written documentation justifying the valid reason to purchase from one source or that only one source is available. Sole source purchasing criteria include: urgency due to public safety, serious injury, financial or other unusual and compelling reasons, service is available from only one source and no other service will satisfy the City's requirements, legal services provided by an attorney, lack of acceptable bids or quotes, an alternate product or manufacturer would not be compatible with current products resulting in additional operating or maintenance costs, standardization of a specific product or manufacturer will result in a more efficient or economical operation, aesthetic purposes or compatibility is an overriding consideration, the purchase is from another governmental body, continuity achieved in a phased project, the supplier or service demonstrates a unique capability not found elsewhere, economical to the city on the basis of time and money of proposal development.

1. Sole source purchase under \$5,000 shall be evaluated and determined by the Department Head.
2. Prior to a sole source purchase of \$5,000 to \$25,000 a formal written justification shall be forwarded to the Director of Administration who must concur and sign off with his or her

approval the sole source or assist in locating additional competitive sources.

3. Sole source purchase exceeding \$25,000 must be approved by the Common Council based upon a recommendation from the committee of jurisdiction.

BUDGET

All purchases shall be made in accordance with the budget approved by the Common Council. The department head has the responsibility for managing departmental spending to ensure the departmental budget is not overspent and for initiating Transfer of Funds Requests when appropriate.

Contracts shall be signed by the Mayor and counter-signed by the City Clerk, City Director of Administration and City Attorney. The City Director of Administration shall certify that funds have been provided by the Council to pay the liability that may be incurred under the contract. The City Attorney shall approve the contract as to form and the City Clerk shall attest to the Mayor's signature.

1

**CITY OF FIRCREST
ORDINANCE NO. 1633**

2

3

**AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF FIRCREST,
WASHINGTON, ADDING CHAPTER 3.50 TO THE FIRCREST MUNICIPAL
CODE PROVIDING FOR THE ACCEPTANCE OF DONATIONS.**

4

5

WHEREAS, RCW 35.21.100 requires that “every city and town by ordinance may accept any money or property donated, devised, or bequeathed to it and carry out the terms of the donation, devise, or bequest, if within the powers granted by law. If no terms or conditions are attached to the donation, devise, or bequest, the city or town may expend or use it for any municipal purpose.”; and

6

7

8

WHEREAS, the City has not delegated its authority to accept donations on behalf of the City; and

9

10

WHEREAS, the City has a need for a general ordinance to establish a policy and means for the receipt of and the accounting for donations to the City. Now, Therefore,

11

THE CITY COUNCIL OF THE CITY OF FIRCREST DO ORDAIN AS FOLLOWS:

12

Section 1. A new chapter is hereby added to the Fircrest Municipal Code Title 3 Finance to be known as Chapter 3.5 and reads as follows:

13

14

“ACCEPTANCE OF DONATIONS TO THE CITY

15

Sections:

16

3.50.010 Purpose.

17

3.50.020 Definitions.

18

3.50.030 Administration.

19

3.50.040 Accounting.

20

3.50.050 Accounts Established.

21

3.50.060 Acceptance of donations in general

22

3.50.070 Acceptance of monetary donations.

23

3.50.080 Acceptance of nonmonetary donations.

24

3.50.010 Purpose.

25

The purpose of this chapter is to authorize the acceptance of donations for any public purpose, pursuant to RCW 35.21.100, and to specify policies and procedures for doing so.

26

3.50.020 Definitions.

27

“Donation” is defined as any monetary or nonmonetary gift, grant, devise or bequest to the city of Fircrest. A monetary donation includes cash or a check, money order or other negotiable instrument. A nonmonetary donation includes real or personal property. In the event of a stock donation, since a government entity is not legally able to own stock, such a donation would be liquidated and turned into cash or another liquid asset, and treated as a monetary donation prior to acceptance by the City.

28

“City Manager” means the City Manager of the City of Fircrest, or his or her designee.

29

3.50.030 Administration.

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31

1 The City Manager shall have the responsibility for the administration of all donations to the City
2 and may issue procedures to implement this ordinance.

3 3.50.040 Accounting.

4 The City of Fircrest Finance Department is responsible for providing for the deposit and financial
5 administration of any donation to the city. If necessary, the Finance Department shall track the
6 proposed use of any such donation and shall maintain separate records of accounts showing
7 receipts and disbursements. The Finance Director may establish further rules and regulations for
8 the accounting and administration of donations, consistent with this chapter, as deemed necessary
9 by the director.

10 3.50.050 Accounts established.

11 There are hereby established special accounts, to be designated “contributions and donations
12 from nongovernmental sources.” The purpose of these accounts is to provide for the deposit of
13 monetary donations, and for accounting for nonmonetary donations to the City.

14 3.50.060 Acceptance of donations in general.

15 The City has the discretion to accept or decline any proposed donation, whether conditioned or
16 not, subject to the provisions of this chapter. In the event the City Manager has reason to believe
17 a donation could cause or result in an appearance of impropriety, the City Manager shall consult
18 with the City Attorney prior to accepting the donation. Conditioned donations shall be assigned
19 to a project or existing fund consistent with the donor’s desired use, as long as such condition(s)
20 do not conflict with city, state or federal law, in which case the city shall ask that the condition(s)
21 be removed or decline the donation.

22 3.50.070 Acceptance of monetary donations.

23 A. The City Manager is hereby authorized to approve on behalf of the City all monetary
24 donations to the City of Fircrest. All monetary donations approved by the City shall be
25 deposited into the appropriate account as established in this chapter. In the event that a
26 monetary donation is conditioned or donated for a special purpose, prior to acceptance, the
27 City Manager, should consider the long-term impacts of the donation, particularly where
28 there could be significant future or ongoing operations and maintenance or capital costs
29 associated with the donation. In addition, if a donation could have long-term impacts, such
30 as significant operations and maintenance or capital costs, the City Manager shall consult
31 with the City Council prior to accepting the donation.

B. The City Manager, at his/her discretion, is authorized to refuse any monetary donation.

C. If a donor has not specified a particular desired use, the donation may be used for any
municipal purpose.

D. Council Notification. Staff should notify Council of all accepted donations over \$5,000 so
that the donor’s generosity can be officially acknowledged by Council.

3.50.080 Acceptance of nonmonetary donations.

A. All donations of personal property may be accepted by the City Manager, after assessment
of required future maintenance or repair. In addition, if a donation could have long-term
impacts, such as significant operations and maintenance or capital costs, the City Manager
shall consult with the City Council prior to accepting the donation.

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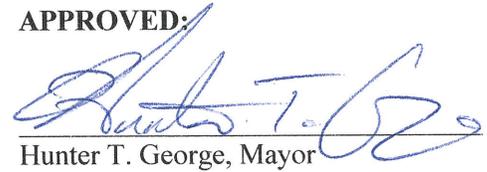
B. Donations of Real Property. All donations of real property, whether conditioned or unconditioned, must first be approved by the city council by resolution.”

Section 6. Severability: If any section, sentence, clause, or phrase of this ordinance should be held invalid or unconstitutional by a court of competent jurisdiction, such invalidity or unconstitutionality shall not affect the validity or constitutionality of any other section, sentence, clause, or phrase of this sentence.

Section 7. Publication and Effective Date: A summary of this ordinance consisting of its title shall be published in the official newspaper of the City. This ordinance shall be effective five (5) days after such publication.

PASSED BY THE CITY COUNCIL OF THE CITY OF FIRCREST, WASHINGTON, at a regular meeting thereof this 12th day of February 2019.

APPROVED:


Hunter T. George, Mayor

ATTEST:



Jessica Nappi, City Clerk

APPROVED AS TO FORM:



Michael B. Smith, City Attorney

DATE OF PUBLICATION:
EFFECTIVE DATE:

LAKE MILLS
PURCHASING

Lake Mills
Policies and Procedures
Prepared by James Heilman, Finance Director
March 25, 2013

Policy: Purchasing and Bidding

Title: Purchasing Procedure

Reviewed by:

Implementation Date:

Revision Date:

Next Scheduled Review Date:

Approval:

Policy Statement: Being an employee of the City of Lake Mills is a public trust. It is the City's policy to promote and balance the objective of protecting the City's assets and integrity while recruiting and retaining qualified public service personnel who are expected to perform their job functions with the highest standards of ethical conduct. City employees should conduct themselves in such a manner as to foster public confidence in the City of Lake Mills' governance.

City employees who are empowered with purchasing authority are particularly in positions of trust, confidence and responsibility and it is their duty to obtain the best value for the materials, equipment and services that they purchase, while maintaining the highest ethical standards when dealing with vendors and suppliers. The value of a purchase includes price, quality and service.

It is the City of Lake Mills' goal to ensure that:

- Responsible bidders are given a fair opportunity to compete for the City's business.
- This is done partially by the Wisconsin Statutory requirements for public construction to be purchased through competitive bidding and proposals and partially by the procedures setup through the City's Purchasing Policy and Procedure for goods and services.
- Public funds are safeguarded.
- The best value possible is received for the public dollar, and
- Public spending is not used to enrich elected City Officials or employees or to confer favors by them on favored constituents.

PURPOSE OF POLICY AND PROCEDURE:

The Purchasing Policy and Procedure provides the necessary basic instructions, guidelines and information for the procurement of equipment, materials, supplies, services, rentals, leases, independent contractor agreements and other goods or

services for the City of Lake Mills. The efficiency and effectiveness of any public sector purchasing program is founded on sound principles of management decision-making. This Purchasing Policy and Procedure defines basic principles of purchasing and is incorporated into the City's Policies and Procedure Manual.

A Purchase Order document initiates the purchasing and procurement process. Please refer to Section, "**HOW TO ISSUE A PURCHASE ORDER**" for an explanation on how to initiate and make a purchase through the purchase order system.

BASIC PRINCIPLES OF PURCHASING AND INTERNAL CONTROLS:

The City of Lake Mills utilizes comprehensive checks and balances to ensure the propriety of the Purchasing Policy and minimize risks and errors and the possibility of collusion and fraud. Some of the basic purchasing principles and goals that City employees should be aware of include:

- New vendors/suppliers are investigated and evaluated.
- New vendors/suppliers are approved before adding to vendor Master File List.
- Competitive prices are evaluated and obtained.
- Purchases are made with the appropriate level of authorization and approval.
- Purchase Orders are properly authorized and prepared.
- Purchases that exceed a department's budget are prohibited.
- Accounts payable disbursements are made with the proper approval.
- Receipt, custody and verification of goods and services are documented.
- Prices charged on vendor/suppliers' invoices match the Purchase Order or pricing program.
- All emergency purchases must be fully justified to eliminate the unnecessary use of emergency purchases for non-emergency situations whenever possible and procedures must be implemented to track emergency purchases so any misuse of this nature can be easily detected.
- Amounts that are recorded in or disbursed from accounts payable match the approved vendor/supplier invoice(s).
- Volume purchase discounts should always be taken whenever available.
- Duplicate vendor/supplier invoice numbers are not allowed to be recorded in the accounts payable program.
- The accounts payable program does not allow an invoice number to be paid more than one time.
- Outstanding credit memos should be routinely reviewed and applied to current or future vendor/supplier invoices.
- Vendor/supplier invoices are coded to the correct general ledger account.
- Purchases that have been made are always recorded in the accounts payable program and paid on a timely basis.
- When accounts payable disbursements are made, checks are printed and shown as paid.
- Manual check payments are recorded in the general ledger.
- Payments are recorded in the proper accounting period.

- The accounts payable purchase details are summarized, posted to the general ledger and are in balance with one another.
- The accounts payable disbursement details are summarized, posted to the general ledger and are in balance with one another.
- Accounts payable duties and responsibilities are effectively segregated to minimize the risk of collusion or fraud.
- Whenever possible the City should participate in cooperative joint-purchasing programs with other public-sector entities to achieve cost savings through volume discounts.
- Personnel who are authorized to purchase must ensure that the State of Wisconsin bidding and purchasing laws and standards are carefully and scrupulously followed.

Each Department Head must make sure that the foregoing principles and guidelines and all other provisions of this Purchasing Policy and Procedure are in effect before orders are placed with vendors/suppliers.

Additionally, each Department Head must ensure that adequate supporting documentation is requested and received from vendors/suppliers to completely and accurately describe the goods and/or services purchased and received.

Types of Purchases:

There are several different types of purchases that can be made by City departments. Since non-routine categories of purchases frequently require more time to process they should be minimized. Some of the different types of purchases include:

Non-Stocked Items:

These are items that are not stocked or warehoused by the City. They may or may not be a standardized items but are not in such constant demand as to be considered a negotiated price quote.

Stocked or Warehoused Items:

These items are in such constant usage by the City that they are routinely stocked and are usually purchased on annual contracts with provisions to replenish stocks as needed. Such items should be standardized to the extent possible.

Emergency:

Emergency purchases are those which are made to meet critical needs of the City in cases where its capacity to serve the public would be impaired if the purchase was not immediately made. Purchases which are designated as emergency are those which would normally be procured through routine procedures, but because of the emergency status are exempt from those procedures.

Sole Source:

Sole source purchases are available from only one supplier for various reasons such as patents, copyrights or because the vendor is the only source for that product or service. These purchases are normally exempt from the bidding requirements. The City may be required to certify that only one supplier is available.

A written memorandum must accompany the Purchase Order explaining and describing the conditions which make a supplier a **sole (single) source**. Additionally, departments are responsible for soliciting competitive quotations from vendors, therefore any Purchase Order with only one quotation attached requires a written explanation.

Registrations:

Registrations for professional conferences, conventions, short schools, seminars and conventions for employees must be authorized by the City Manager and are subject to the City's Travel Policy.

Travel:

Meetings, visits to other cities and special leave expenses for the benefit of the City are subject to the City's Travel Policy.

Publications:

Books, magazines, periodicals and newspapers may be provided for by the City. Departments should coordinate these purchase functions to eliminate duplication. Books are sometimes subject to special rules. Please contact the Treasurer-Finance Director for any questions concerning these special rules.

Memberships:

Memberships in trade or professional organizations are processed through administration. The membership applications will be justified by the needs of the City and require City Manager authorization.

Services:

Many types of services are needed by the City. The department will procure these services in accordance with State of Wisconsin Statutory Law, including professional services, which may be procured under special rules.

SPENDING AUTHORIZATION REQUIREMENTS:

\$0.01 - \$1,000.00:

Bids/quotations are not required. Requires Department Head and City Manager approval as well as verification of available funds from the Finance Director/Treasurer.

\$1,000.01 - \$15,000.00:

Same as above.

Specifications of Material or Equipment:

All quotations must include accurate specifications which include a complete description of the material or equipment to be purchased and adhere to the following guidelines:

- Keep the specifications as simple as possible but specific enough that a loophole will not allow a vendor to evade any of the intended provisions of the purchase or take undue advantage of the City.
- The item(s) should be identifiable with some brand or specification already on the market.
- The item(s) should be capable of being inspected to assure quality control and permit acceptance or rejection.
- The item(s) should be available by more than a sole vendor. The department shall attempt to contact at least three (3) businesses when making a purchase of more than \$1,500 but less than \$15,000. Copies of the quotes must be kept on file with a written explanation of why the vendor was selected.

\$15,000.01 - \$24,999.99:

Written quotations must be solicited which can be accepted via mail, or facsimile. The **Written Specifications** of material or equipment requirements are the same as listed in the above Section.

Budgeted Transfers From One Fund To Another Fund and Debt Service Payments:

Transfers of payroll related items or capital items require the approval of the City Council. Department Directors can transfer funds between operating accounts.

\$25,000 & Up:

These purchases require sealed requests for bids/proposals. All bids, except for construction projects, must be processed through the City Clerk-HR. Bids should be developed on City forms then forwarded to the City Clerk-HR's Office for mailing, publishing, opening, rejection and award. All required forms, quotes and requests for proposals or bids shall be submitted with a purchase order.

Competitive Bidding and Competitive Proposal Requirements:

The City of Lake Mills must be compliant with **Wis. Stats. §§ 62.15, 66.0901, and 66.0903**, which states regarding public works construction: "a public construction contract requires that such contract be let to the lowest responsible bidder."

State law requires local units of government to competitively bid for "public construction" when the estimated cost exceeds \$25,000. Public Construction Bidding over \$25,000 requires a Class 2 Notice. Class 2 Notices must be published two times (once per week for two consecutive weeks, the last of which should be at least one week before the bids are to be opened) in the newspaper designated by the municipality's governing body as the "official newspaper of public record".

If the estimated cost of public works construction is between \$5,000 and \$25,000, Wisconsin Statutes require that each municipality issue a Class 1 notice concerning the proposed project before a contract is executed.

This requirement varies depending on the definition of "public construction" and to ensure that the applicable state laws are complied with and satisfied the purchaser should:

- Read the law concerning municipal purchasing; or
- Make an inquiry to the Finance Department concerning the proper procedures; or
- Request an opinion from the City Attorney through the City Manager's Office.

Purchase Orders With Contract Change Orders:

For original purchase orders less than \$15,000.00, change orders increasing or decreasing the original purchase order by not more than ten Percent (10%) shall be approved by the City Manager or his/her designee.

For original purchase orders between \$15,000.00 and the State bidding limit, change orders increasing or decreasing the original purchase order by not more than Fifteen Percent (15%) shall be approved by the City Manager or his designee.

For original purchase orders for bid items approved by the City Council, change orders increasing or decreasing the original contract or bid amount by an aggregate amount of more than the State authorized level or Fifteen Percent (15%) may not be approved.

In no case shall the combined total of all change orders exceed an increase of Fifteen Percent (15%) of the original contract amount.

Bid Openings:

All formal bids/proposals shall be submitted to the City Clerk's Office where they are date and time stamped upon receipt. Bid openings are conducted on Thursdays starting at 1:00 p.m. at the location specified in the invitation to bid. Vendors and the public are invited and encouraged to attend. Bids/proposals received after the specified date and time deadline are disqualified. Late bids/proposals cannot be considered for award of purchase.

Bidder(s)' Protest Procedure:

PROTEST:

A statement of protest, if any, shall be submitted to the City of Lake Mills' Finance Department for transmittal to and consideration by the City of Lake Mills.

A protest must be submitted in writing and must be supported by sufficient information to enable the protest to be considered. A protest will not be considered if it is insufficiently supported or it is not received within the time limits set forth in the below paragraph entitled TIMELINESS. A protest may be submitted based upon the following reasons:

A protest relating to restrictive procedures, alleged impropriety, or other similar situations arising prior to bid opening, or

A protest of the award of contract or alleged impropriety arising after bid opening as set forth in the below section entitled TIMELINESS.

TIMELINESS:

To be effective, a protest must be submitted so that it is received by the Contracting Officer by the following deadlines:

A protest based upon restrictive procedures, alleged impropriety or other similar situations arising prior to bid opening must be received by the City of Lake Mills' Finance Department no later than five (5) working days prior to the specified bid opening date and may only be protested once.

A protest of the award of contract or alleged impropriety arising after the bid opening must be received by the City of Lake Mills' Finance Department within five (5) working days following the earlier of the date on which the bidder knew or the date on which a diligent bidder would have known of the award or alleged impropriety.

HOW TO ISSUE A PURCHASE ORDER:

A Purchase Order document initiates the procurement process for purchases. A Purchase Order represents a binding and enforceable agreement with a vendor/supplier to provide the goods and services in accordance with the terms and conditions of the Purchase Order and associated documents. The City of Lake Mills Purchase Orders are sequentially-numbered.

NOTE: Procurement by Credit Card can be used for purchasing of relatively low-dollar and high volume items such as materials and supplies that are routinely consumed in the normal course of operations. The Credit Card is intended to complement, not circumvent the Purchase Order program.

Procedure To Issue A Purchase Order:

1. The department head or other authorized employee creates a purchase order for the procurement of goods or services by entering all of the pertinent information relating to the purchase that includes:

- Ship To Address (and Attention)
- Bill To Address:
 - This is unnecessary unless the Bill To Address is different from the Ship To Address.
- Vendor Number
- Vendor Name and Address:
 - The vendor's name and address is automatically activated by the vendor number which is setup in the vendor master file.
- Purchase Order Number:
 - The purchase requisition and purchase order numbers are both computer-generated, sequentially-numbered and are both different thereby

preventing additional purchases from being made from the same original purchase requisition and purchase order numbers.

- Purchase Order Type
- Purchase Order Date
- Account to be used for payment
- Ordering Unit and Buyer Name:
 - This identifies the department making the purchase and the specific fund that the vendor invoice will be paid from.
- Body of the Purchase Order :
 - The order should be described in as much detail as space permits and should specify exact quantity, unit of measure, manufacturing number, description of goods or service, unit price and total price. Special comments or terms can be added when creating the purchase requisition. The freight F.O.B (Free on Board) options of Destination or Origin should be noted if the product is shipped.

Employees, who are designated by memorandum furnished to the Finance Department, may sign a Purchase Order for a purchase or payment authorization up to a specified limit that is set by the Department Head.

The Department Head approves or rejects the purchase order and notifies the Finance Department of the proposed purchase.

The Treasurer-Finance Director and City Manager review the departmental purchase orders that have been initiated to determine whether or not there are sufficient funds available in a particular fund for a proposed purchase.

If the proposed expenditure exceeds the balance in the Account, the Treasurer-Finance Director notifies the department buyer who issued the purchase order. It is the department's responsibility to maintain sufficient funds in the budget account to allow for purchases. If the account lacks sufficient funds, the department shall choose one of the following three (3) procedures:

- Withdraw the request, or
- Request a transfer of funds within the department operational budget accounts, or
- Request a budget amendment

Any change to the operational budgets requires the Finance Director/Treasurer approval. Budget amendments and fund transfers require the City Council's approval.

The Finance Department then returns both parts (3-part for utility dept. purchases) of the Purchase Order to the originating departmental buyer. A purchase order will be returned to the department buyer the next business day.

The departmental buyer orders the goods and/or services.

After the ordered goods have been received or the services have been provided and the purchasing department has ensured that all goods and services ordered have been received or provided, the department buyer will initial and attach the original Purchase Order to the vendor invoice, bill of lading, packing slip, correspondence and all other

receiving and supporting documentation. The department buyer will then forward all of these documents in their entirety to the Finance Department for vendor invoice payment processing.

NOTE: The Finance Department distributes monthly budget expenditure reports to departments for their review and analysis on the 15th calendar day of each month.

LAKE MILLS
ACCOUNTING
PROCEDURE

Lake Mills
Policies and Procedures
Prepared by James Heilman, Finance Director
March 25, 2013

Purpose

The Accounting Policies and Procedures Manual (the Manual) documents the Internal Control adopted by the City Council to safeguard assets, secure the accuracy and reliability of accounting data and financial reporting and promote operational efficiency.

Scope

The Manual covers accounting, financial reporting and financial governance activities of the City.

Policy Statement

It is City Council policy:

To have in place an adequate system of internal controls which promote a high level of compliance with City Council policies and procedures and to comply with Government Accounting Standards Board (GASB) financial accounting and reporting standards.

To implement and maintain a system of control to assist staff in carrying out its activities in an efficient and orderly manner, ensure adherence to policies, safeguard City assets and financial sustainability, and secure the accuracy and reliability of its records.

Lake Mills
Policies and Procedures
Prepared by James Heilman, Finance Director
March 25, 2013

Policy: Monthly Budget Variance Reporting

Title: Monthly Budget Variance Reporting

Reviewed by:

Implementation Date:

Revision Date:

Next Scheduled Review Date:

Approval:

Policy Statement: Monthly budget variance reports shall be prepared by Department Heads and presented to the City Manager for review. Actual results shall be compared to budgeted amounts and all variances shall be explained in detail. The City Manager will prepare a monthly report for the Council.

Background:

The budget process is designed to provide a means for comparison of actual financial results to budgeted amounts and analysis of differences from those budgeted amounts. A monthly review by staff of actual results to budgeted amounts is necessary to help management ensure the established spending limits are being adhered to, as well as to identify circumstances that indicate the City Manager needs to request City Council consideration of a fund transfer or budget amendment.

Guidelines:

Department Heads will receive monthly financial statements. These statements shall include a comparison of actual monthly results of operations to budgeted figures. Any significant budget variances shall be reviewed by the Department Head and a detailed explanation shall be prepared and sent to the City Manager. "Significant" variances are considered to be +/- 10% of a budget line item and greater than \$1,000. The Council shall review the monthly financial statements and summary budget comparisons at regular council meetings. Total budget variances shall be investigated and explained to the City Manager promptly by staff with a summary report to Council.

Lake Mills
Policies and Procedures
Prepared by James Heilman, Finance Director
March 25, 2013

Policy: Bank Reconciliations

Title: Bank Reconciliations

Reviewed by:

Implementation Date:

Revision Date:

Next Scheduled Review Date:

Approval:

Policy Statement: The bank reconciliation process is an important element in internal cash control. The purpose of a reconciliation is to compare bank balances with city's accounting records and to resolve any differences. All bank accounts should be reconciled monthly by employees other than those directly handling cash receipting and disbursing. All discrepancies shall be resolved in a timely manner.

Background:

Bank statements should be received unopened by the administrative staff responsible for mail distribution, namely the Receptionist/Secretary and/or Executive Secretary/Deputy Clerk. The Executive Secretary/Deputy Clerk will do an initial review of the contents for inconsistent check numbers, signatures, cash balances and payees and endorsements at a minimum. After this cursory is conducted the bank statements are forwarded to the Finance Director/Treasurer or his/her designee who is responsible for reconciliation. All bank accounts shall be reconciled within 14 days of receipt of the bank statement; each bank reconciliation shall be reviewed and approved by the City Manager or his/her designee.

The Finance Director/Treasurer or his/her designee is responsible for identifying all discrepancies. The resolution of discrepancies shall be investigated, resolved and adjusted in a timely manner.

Guidelines:

Bank balances, as shown by the bank statement shall be reconciled with the general ledger as follows:

- 1) Establish the accuracy of the bank statement by ensuring that the beginning balance on the bank statement agrees to the ending balance on the prior month's bank statement.
- 2) Determine the reconciling items between book and bank balances by:

- a) Match each paid check listed on the bank statement to the accounts payable check register and the prior month bank reconciliation. Check off each entry to indicate the check that has been cashed by the proper payee for the correct amount and cleared by the bank. Prepare a list of outstanding checks.
 - b) Match each deposit on the bank statement to those recorded in the cash receipts journal and check off the deposits per the cash receipts journal and those recorded as deposits by the bank.
 - c) Any unchecked items in the cash receipts journal represent deposits in transit. Match any miscellaneous debit or credit memos per the bank statement to those in the general ledger.
- 3) Prepare the bank reconciliation incorporating the reconciling items determined above.
 - 4) When reconciling the bank accounts, the following items should be included in the procedures:
 - a) A comparison of dates and amounts of daily deposits as shown on the bank statements with the cash receipts journal.
 - b) A comparison of inter-organization bank transfers to be certain that both sides of the transactions have been recorded on the books.
 - c) An investigation of items rejected by the bank, i.e., returned checks or deposits.
 - d) A comparison of wire transfers date received with date sent.
 - e) An accounting for the sequence of checks both from month to month and within a month.
 - f) A review and proper mutilation of voided checks.
 - g) Investigate and report checks which have been outstanding for more than six months and authorize bookkeeper(s) to write off.
 - 5) Completed bank reconciliations should be reviewed by the Treasurer-Finance Director and initialed and dated by the reviewer.
 - 6) The bookkeeper upon receipt of the completed bank reconciliations prepares any general ledger adjustments.

Lake Mills
Policies and Procedures
Prepared by James Heilman, Finance Director
March 25, 2013

Policy: General Ledger Entries

Title: Recording Transactions in the General Ledger

Reviewed by:

Implementation Date:

Revision Date:

Next Scheduled Review Date:

Approval:

Policy Statement: To ensure that all General Ledger entries are current, accurate and complete. The Finance Department is responsible for the proper posting of journals and entries to the general ledger and for the maintenance of the accounts to ensure accuracy, validity and reliability of financial records.

Purpose: To describe the functions for recording transactions and maintaining the general ledger.

Scope: This policy applies to all accounting personnel with involvement in recording accounting transactions.

Procedure:

1) POSTING TRANSACTIONS AND JOURNALS

- a) The computerized accounting system aids in the maintenance of journals and posting of transactions to general ledger accounts. The following functions are performed on a monthly basis to update the general ledger for the month's activities:
 - i) All transactions are required to have proper coding at a minimum, to the individual fund, program, grant and general ledger codes. All check requests must be on the proper division coding sheets. Return any incorrectly coded check requests to the originator.
 - ii) All activities recorded in journals will be posted to the general ledger using the computerized posting feature. These journals include:
 - (1) General Journal
 - (2) Cash Receipts Journal
 - (3) Cash Disbursements Journal
 - (4) Payroll Journal
- b) The recurring adjusting journal entries will be posted via the general journal. Recurring journal entries will be established for adjustments that occur equally in

each monthly accounting period. Recurring journal entries can include the following:

- i) Amortization of prepaid expenses.
 - ii) Depreciation of Fixed Assets.
 - iii) Recurring journal entries are reviewed monthly and adjusted accordingly.
- c) Adjusting journal entries are prepared for transactions that have not been recorded in other journals or to correctly restate account balances to accurate amounts. The need to make adjusting journal entries may be due to any of the following:
- i) Accrual of income and expense items
 - ii) Correction of errors
 - iii) Recording of non-cash transactions
- d) All journal entries are reviewed by the Finance Director/Treasurer. Adequate supporting documentation will be prepared and maintained for each journal entry.
- 2) TRIAL BALANCE
- a) After posting all journals and adjusting entries, a trial balance is printed. The trial balance is reviewed to ensure that the general ledger is in balance. Next, all control accounts in the general ledger are reconciled to subsidiary ledgers. Any differences will be investigated and appropriate adjustments are made.
 - b) The Treasurer-Finance Director will make a final review of the trial balance for accuracy and proper reflection of account balances before printing financial statements.

Lake Mills
Policies and Procedures
Prepared by James Heilman, Finance Director

March 25, 2013

Policy: Cash Management

Title: Cash Receipts Procedures

Reviewed by:

Implementation Date:

Revision Date:

Next Scheduled Review Date:

Approval:

Policy Statement: Because cash is the asset most sensitive to loss or misappropriation, proper handling and accounting is very important. Cash flows must be monitored to ensure that funds are available for the payment of bills and disbursement of payroll. Cash in excess of immediate needs can be invested to earn additional revenue.

Cash Drawer:

- Cash boxes/drawers/registers shall always be secured when unattended or not in use and prior to being secured in the office vault.
- \$75.00 is the amount of change fund money kept in the petty cash box for daily operations. Cash and checks shall be separated and coins and currency must be separated by denomination. Change funds and petty cash receipts shall be logged, signed for and accounted for on each of the clerk's daily reconciliation form. Employees shall verify and balance the change fund amount in their cash boxes on an ongoing daily basis and at the close of business each day.
- Employees collecting cash are held accountable for the transactions they handle. It should be possible to determine the amount of cash for which each clerk is responsible for at any point in time during any day.

Cash Collections, Receipts and Reconciliations:

Cash Collected In Person:

- Cash received in person from a payer by a cashier clerk shall be kept in view of and counted in front of the payer until the receipt is issued to the payer and the payer is satisfied. The City cashier clerk shall count change due to the customer/payer twice - once to himself and once back to the payer.
- A receipt represents proof of payment and employees shall issue a receipt for every cash payment they receive. Some, but not all, check or money order payments receive a receipt. The check or carbon copy of money orders can

serve as a receipt unless otherwise indicated or requested. Receipts are generated and each receipt shall indicate the payment method (i.e. cash, check, money order, etc.).

- Checks must be made payable to the City of Lake Mills. The City cannot accept third-party checks. Clerks should review checks carefully to determine the legal amount of the check. If the numeric amount on the check differs from the written amount, the written amount prevails as the legal amount. If the check includes only a numeric amount, the numeric amount is the legal amount. Clerks are not permitted to change any amounts on a check; however, clerks may add text to clarify the legal amount. For example, clerks may write “**see legal**” next to numeric amounts that differ from written amounts.
- Clerks should also examine checks for required signatures. If on the face of the check one or more signatures are demanded, the required signatures must be present in order to accept the check. Checks without signature requirements may be accepted without a signature, although there is no guarantee the check will clear the bank processing system. When accepting checks in person, clerks should review the check for completeness and consistency of numeric/written amounts and request corrections from the maker at the time of payment. This procedure will increase the likelihood of collecting on checks presented for payment.
- Clerks should also examine checks for the name of the bank on which the check is drawn. If the name of the bank is not on the check, the City would usually not accept it. However, in some instances, with two pieces of identification, a check without the bank name may be accepted, but the ABA number must be listed for routing purposes. Watch for special instructions on a check that may cause it to be void. Any special instructions take precedent over state law. An example is “Void after 30 days”.
- Clerks should refuse acceptance of a postdated check. Also refuse a check written 180 days (6 months) prior to today’s date; banks may not honor such checks. Accept checks for the amount owed only. Utility checks may be made for any amount, but the full amount is credited to the account and no change may be given to the customer. No foreign checks should be accepted unless they state “Payable in U.S. Funds.” Exception: Canadian checks may be accepted if they include the discount in the check amount. Never accept a two-party check unless it is for payment on an existing debt. No change can be given to the customer.
- Clerks should never make any changes to a check. Avoid any writing in the area where the MICR is. (The issuer can alter any portion of the check other than the signature or the preprinted portion; the change must be initialed by the issuer.)

Returned Checks:

Checks that have been deposited may be returned by the bank for several reasons:

- insufficient funds
- missing signature
- stop payment
- account closed
- stale-dated

Banks will typically resubmit a returned check one more time if it was returned for insufficient funds. However, if the reason for the return is that a stop payment was placed on the check, the account is closed, the signature is missing or the check is stale-dated, the bank deposits the check only once and then returns the check to the City.

The City mails a copy of the returned check to the maker with a letter advising the maker:

- that the check was returned by the bank,
- provides the reason for the return, and
- requests the maker to personally make a trip to the applicable City department to pickup the returned check and pay the deficiency in cash or money order along with a \$35.00 return check fee.

The City reserves the right to interrupt services (e.g. utility) and may pursue other available legal remedies as needed by the affected City department if the maker does not pay the deficiency.

All checks must be restrictively endorsed immediately with a stamp that bears the following information:

FOR DEPOSIT ONLY
City of Lake Mills
Account No. XXXXXX

Cash and checks shall be secured in the cash drawer until the bank deposit is prepared. A bank deposit that includes all of the previous day's cash collections for all departments is hand delivered to the bank each afternoon by the authorized personnel..

Checks Received By Mail and Drop Box:

A designated cashier clerk retrieves and opens customer mailed check payments from the mail each morning. All checks are immediately endorsed with a stamp that bears the restrictive endorsement information noted in the preceding section "Cash Collected In Person". Payments are then entered and receipts are generated.

City General Fund and Utility funds shall be kept in separate cash drawers. All checks shall be secured in the clerks' cash drawer until the bank deposit is prepared.

Reconciliations:

Money amounts received, receipts issued and actual monies deposited must be reconciled each day. The Treasurer-Finance Director shall review and approve all reconciliations.

The total of all cash, checks and money orders received must equal the total amount of receipts issued to customers.

CASH OVER & SHORT POLICIES

All monies received are to be deposited **intact** and on a same day basis if possible. Intact means that total cash received must match total cash deposited and total checks received must match total checks deposited. If, upon balancing daily receipts, it is

discovered that the money to be deposited does not equal the total of the receipts, a cash over/short situation exists.

A Cash Handler has a shortage when an unintentional collection error is made due to negligence, an act of God, or a theft. Leaving money unattended and not properly safeguarded is an example of a Cash Handler's negligence that could result in a loss of City money.

A Cash Handler has an overage when too much money is collected and he/she cannot immediately return the excess to the customer.

If, after an appropriate search and recalculation, the over/short situation still exists, take the following steps:

Complete the Treasurer's Receipt as documented by the receipts.

If a cash overage or shortage exists, the difference is booked to the department's Over/Short Account, using an account number approved by the Accounting Department.

If the reason for an overage or shortage is resolved within two business days, and there is no question of possible impropriety, there may be no need for reporting the error beyond the Department Head. If an unresolved overage or shortage is in excess of \$100, suspicious in nature, or if a trend of overages/ shortages develops, the Department Head should report it to the City Treasurer-Finance Director within one day of the date that an amount is questioned.

Department Heads may establish policies within their respective departments that include reporting overage or shortage amounts that are less than \$100.

UNDER NO CIRCUMSTANCES SHALL AN EMPLOYEE TAKE OR SUPPLEMENT MONEY TO BE DEPOSITED IN ORDER TO FORCE THE DEPOSIT TO BALANCE WITH RECEIPTS.

UNDER NO CIRCUMSTANCES SHALL A CITY OFFICE OR DEPARTMENT MAINTAIN A "SLUSH FUND" OF MONEY IN ORDER TO ACCUMULATE OVERAGE AMOUNTS OR PAY SHORTAGE AMOUNTS.

MISCELLANEOUS:

Major Sources of Cash Received In Person or By Mail or Drop Box:

The Utilities, Municipal Court and Municipal Departments provide the major sources of cash received by the City in person, by mail or by drop box.

The following items represent a partial listing of the various types of revenues generated from the aforementioned three (3) Departments as well as other City departments: utility (water, sewer and refuse)

- Municipal Court fees and fines
- False Alarm Fees
- Liquor, Beer and Wine permits
- Weights and Measures fees
- Copying Fees
- Pavilion Rental Fees

- Beach Entry Fees
- Boat Launch Fees
- Fence Parking Fees
- Refuse & Recycling Fees
- Solicitors Permits
- Library Fees
- Building Permits
- Impact Fees
- Weed Mowing Fees
- Brush Pickup Fees
- Zoning Change Applications Fees
- Conditional Use Permit Fees
- Mobile Home Lot Taxes
- Tax Collections
- Utility Bills
- Donations
- Plat Fees
- Dog & Cat Licenses

Lake Mills
Policies and Procedures
Prepared by James Heilman, Finance Director
March 25, 2013

Policy: Check Signing

Title: Check Signing

Reviewed by:

Implementation Date:

Revision Date:

Next Scheduled Review Date:

Approval:

Policy Statement: To ensure adequate controls for the signing of checks. The Council shall designate positions with the authority to sign checks. Individuals that prepare checks shall never be check signers. Individuals that reconcile bank statements can only be secondary check signers. Also, individuals that approve invoices for payment shall never sign the checks for payment of invoices they approve if they are check signers.

Background:

All authorized check signers will make disbursements only upon review and approval of the transaction. This will include review for the existence of proper supporting documentation, such as an approved invoice, evidence of the receipt of goods and services and proper coding to the general ledger account, funding source and program. All disbursements must be entered into the accounting system and coded appropriately.

Guidelines:

As approved by City Council resolution, the City Manager, Treasurer-Finance Director and City Clerk-HR are authorized to sign checks. Vendor checks and payroll checks require (2) signatures from the City Manager, Treasurer-Finance Director or City Clerk. In a case of time sensitive urgency a check can be processed with only one signature from the above listed personnel.

A voided check is a check spoiled in the process of preparation, before it is recorded. Any check that is voided should be thoroughly defaced by marking "VOID" on the check and retained in a file by fiscal year for review by the auditor. All voided checks should be clearly noted in the accounting system.

Signed checks awaiting distribution or pick-up must be kept in a locked storage place accessible only to the Check Custodian, which may be the Treasurer-Finance Director.

Lake Mills
Policies and Procedures
Prepared by James Heilman, Finance Director
March 25, 2013

Policy: Personnel and Payroll Management

Title: Personnel and Payroll Procedures

Reviewed by:

Implementation Date:

Revision Date:

Next Scheduled Review Date:

Approval:

Policy Statement: To ensure there is a record of all payroll checks

Personnel:

The City Clerk-HR is charged with the responsibility of maintaining personnel files on staff persons.

Each personnel file should contain the following information, at a minimum.

1. Employment application or resume
2. A record of background investigation
3. Date of employment
4. Position, pay rates and changes therein
5. Authorization of payroll deductions
6. Earnings records for non-active employees
7. W-4 Form, withholding authorization
8. I-9, Immigration Form
9. Termination data, when applicable

All personnel records are to be kept locked in a locking file cabinet by the City Clerk-HR's office. Access to these files other than by the City Clerk-HR, City Attorney-HR Director, Treasurer-Finance Director, City Manager or Payroll Clerk should be requested in writing to the City Clerk.

Payroll Preparation and Timekeeping:

Timesheets are to be prepared by all employees and submitted weekly. Time should be input on a daily basis and, if in writing, completed in ink. Correction fluid should never be used in preparing timesheets. If an error needs to be corrected, a line should be drawn through the item and the corrected information recorded, and initialed by the person who made the correction.

1. Timesheets are to include specific time spent on each grant/project.

2. Timesheets are to be signed by the foreman and his/her supervisor.
3. All approved timesheets should be submitted to the bookkeeper, who will verify the hours worked against his/her record.
4. The Bookkeeper should then process the time and report the information to the payroll program. The information reported should include:
 - a. Hours worked, by cost center
 - b. Changes in pay rates or employment status
 - c. Vacation, sick or personal hours used and earned

The Treasurer-Finance Director or City Clerk-HR should review the payroll summary page of the payroll service report for inappropriate payees or unusual hours.

Paychecks should be distributed by the Payroll Clerk on the designated day and hour, one week after the end of the pay period according to a prearranged schedule distributed by the Treasurer-Finance Director. In the event that a paycheck is picked up by a designated person other than the employee, a memo should be received in writing from the staff person and proper identification should be requested from the party picking up the pay check.

As an employee benefit, the City of Lake Mills offers direct deposit through the employee's own financial institution. Through direct deposit, payroll is deposited as cash into the employee's account on payday.

Lake Mills
Policies and Procedures
Prepared by James Heilman, Finance Director
March 25, 2013

Policy: Purchasing and Bidding

Title: Purchasing Procedure

Reviewed by:

Implementation Date:

Revision Date:

Next Scheduled Review Date:

Approval:

Policy Statement: Being an employee of the City of Lake Mills is a public trust. It is the City's policy to promote and balance the objective of protecting the City's assets and integrity while recruiting and retaining qualified public service personnel who are expected to perform their job functions with the highest standards of ethical conduct. City employees should conduct themselves in such a manner as to foster public confidence in the City of Lake Mills' governance.

City employees who are empowered with purchasing authority are particularly in positions of trust, confidence and responsibility and it is their duty to obtain the best value for the materials, equipment and services that they purchase, while maintaining the highest ethical standards when dealing with vendors and suppliers. The value of a purchase includes price, quality and service.

It is the City of Lake Mills' goal to ensure that:

- Responsible bidders are given a fair opportunity to compete for the City's business.
- This is done partially by the Wisconsin Statutory requirements for public construction to be purchased through competitive bidding and proposals and partially by the procedures setup through the City's Purchasing Policy and Procedure for goods and services.
- Public funds are safeguarded.
- The best value possible is received for the public dollar, and
- Public spending is not used to enrich elected City Officials or employees or to confer favors by them on favored constituents.

PURPOSE OF POLICY AND PROCEDURE:

The Purchasing Policy and Procedure provides the necessary basic instructions, guidelines and information for the procurement of equipment, materials, supplies, services, rentals, leases, independent contractor agreements and other goods or

services for the City of Lake Mills. The efficiency and effectiveness of any public sector purchasing program is founded on sound principles of management decision-making. This Purchasing Policy and Procedure defines basic principles of purchasing and is incorporated into the City's Policies and Procedure Manual.

A Purchase Order document initiates the purchasing and procurement process. Please refer to Section, "**HOW TO ISSUE A PURCHASE ORDER**" for an explanation on how to initiate and make a purchase through the purchase order system.

BASIC PRINCIPLES OF PURCHASING AND INTERNAL CONTROLS:

The City of Lake Mills utilizes comprehensive checks and balances to ensure the propriety of the Purchasing Policy and minimize risks and errors and the possibility of collusion and fraud. Some of the basic purchasing principles and goals that City employees should be aware of include:

- New vendors/suppliers are investigated and evaluated.
- New vendors/suppliers are approved before adding to vendor Master File List.
- Competitive prices are evaluated and obtained.
- Purchases are made with the appropriate level of authorization and approval.
- Purchase Orders are properly authorized and prepared.
- Purchases that exceed a department's budget are prohibited.
- Accounts payable disbursements are made with the proper approval.
- Receipt, custody and verification of goods and services are documented.
- Prices charged on vendor/suppliers' invoices match the Purchase Order or pricing program.
- All emergency purchases must be fully justified to eliminate the unnecessary use of emergency purchases for non-emergency situations whenever possible and procedures must be implemented to track emergency purchases so any misuse of this nature can be easily detected.
- Amounts that are recorded in or disbursed from accounts payable match the approved vendor/supplier invoice(s).
- Volume purchase discounts should always be taken whenever available.
- Duplicate vendor/supplier invoice numbers are not allowed to be recorded in the accounts payable program.
- The accounts payable program does not allow an invoice number to be paid more than one time.
- Outstanding credit memos should be routinely reviewed and applied to current or future vendor/supplier invoices.
- Vendor/supplier invoices are coded to the correct general ledger account.
- Purchases that have been made are always recorded in the accounts payable program and paid on a timely basis.
- When accounts payable disbursements are made, checks are printed and shown as paid.
- Manual check payments are recorded in the general ledger.
- Payments are recorded in the proper accounting period.

- The accounts payable purchase details are summarized, posted to the general ledger and are in balance with one another.
- The accounts payable disbursement details are summarized, posted to the general ledger and are in balance with one another.
- Accounts payable duties and responsibilities are effectively segregated to minimize the risk of collusion or fraud.
- Whenever possible the City should participate in cooperative joint-purchasing programs with other public-sector entities to achieve cost savings through volume discounts.
- Personnel who are authorized to purchase must ensure that the State of Wisconsin bidding and purchasing laws and standards are carefully and scrupulously followed.

Each Department Head must make sure that the foregoing principles and guidelines and all other provisions of this Purchasing Policy and Procedure are in effect before orders are placed with vendors/suppliers.

Additionally, each Department Head must ensure that adequate supporting documentation is requested and received from vendors/suppliers to completely and accurately describe the goods and/or services purchased and received.

Types of Purchases:

There are several different types of purchases that can be made by City departments. Since non-routine categories of purchases frequently require more time to process they should be minimized. Some of the different types of purchases include:

Non-Stocked Items:

These are items that are not stocked or warehoused by the City. They may or may not be a standardized items but are not in such constant demand as to be considered a negotiated price quote.

Stocked or Warehoused Items:

These items are in such constant usage by the City that they are routinely stocked and are usually purchased on annual contracts with provisions to replenish stocks as needed. Such items should be standardized to the extent possible.

Emergency:

Emergency purchases are those which are made to meet critical needs of the City in cases where its capacity to serve the public would be impaired if the purchase was not immediately made. Purchases which are designated as emergency are those which would normally be procured through routine procedures, but because of the emergency status are exempt from those procedures.

Sole Source:

Sole source purchases are available from only one supplier for various reasons such as patents, copyrights or because the vendor is the only source for that product or service. These purchases are normally exempt from the bidding requirements. The City may be required to certify that only one supplier is available.

A written memorandum must accompany the Purchase Order explaining and describing the conditions which make a supplier a **sole (single) source**. Additionally, departments are responsible for soliciting competitive quotations from vendors, therefore any Purchase Order with only one quotation attached requires a written explanation.

Registrations:

Registrations for professional conferences, conventions, short schools, seminars and conventions for employees must be authorized by the City Manager and are subject to the City's Travel Policy.

Travel:

Meetings, visits to other cities and special leave expenses for the benefit of the City are subject to the City's Travel Policy.

Publications:

Books, magazines, periodicals and newspapers may be provided for by the City. Departments should coordinate these purchase functions to eliminate duplication. Books are sometimes subject to special rules. Please contact the Treasurer-Finance Director for any questions concerning these special rules.

Memberships:

Memberships in trade or professional organizations are processed through administration. The membership applications will be justified by the needs of the City and require City Manager authorization.

Services:

Many types of services are needed by the City. The department will procure these services in accordance with State of Wisconsin Statutory Law, including professional services, which may be procured under special rules.

SPENDING AUTHORIZATION REQUIREMENTS:

\$0.01 - \$1,000.00:

Bids/quotations are not required. Requires Department Head and City Manager approval as well as verification of available funds from the Finance Director/Treasurer.

\$1,000.01 - \$15,000.00:

Same as above.

Specifications of Material or Equipment:

All quotations must include accurate specifications which include a complete description of the material or equipment to be purchased and adhere to the following guidelines:

- Keep the specifications as simple as possible but specific enough that a loophole will not allow a vendor to evade any of the intended provisions of the purchase or take undue advantage of the City.
- The item(s) should be identifiable with some brand or specification already on the market.
- The item(s) should be capable of being inspected to assure quality control and permit acceptance or rejection.
- The item(s) should be available by more than a sole vendor. The department shall attempt to contact at least three (3) businesses when making a purchase of more than \$1,500 but less than \$15,000. Copies of the quotes must be kept on file with a written explanation of why the vendor was selected.

\$15,000.01 - \$24,999.99:

Written quotations must be solicited which can be accepted via mail, or facsimile. The **Written Specifications** of material or equipment requirements are the same as listed in the above Section.

Budgeted Transfers From One Fund To Another Fund and Debt Service Payments:

Transfers of payroll related items or capital items require the approval of the City Council. Department Directors can transfer funds between operating accounts.

\$25,000 & Up:

These purchases require sealed requests for bids/proposals. All bids, except for construction projects, must be processed through the City Clerk-HR. Bids should be developed on City forms then forwarded to the City Clerk-HR's Office for mailing, publishing, opening, rejection and award. All required forms, quotes and requests for proposals or bids shall be submitted with a purchase order.

Competitive Bidding and Competitive Proposal Requirements:

The City of Lake Mills must be compliant with **Wis. Stats. §§ 62.15, 66.0901, and 66.0903**, which states regarding public works construction: "a public construction contract requires that such contract be let to the lowest responsible bidder."

State law requires local units of government to competitively bid for "public construction" when the estimated cost exceeds \$25,000. Public Construction Bidding over \$25,000 requires a Class 2 Notice. Class 2 Notices must be published two times (once per week for two consecutive weeks, the last of which should be at least one week before the bids are to be opened) in the newspaper designated by the municipality's governing body as the "official newspaper of public record".

If the estimated cost of public works construction is between \$5,000 and \$25,000, Wisconsin Statutes require that each municipality issue a Class 1 notice concerning the proposed project before a contract is executed.

This requirement varies depending on the definition of “public construction” and to ensure that the applicable state laws are complied with and satisfied the purchaser should:

- Read the law concerning municipal purchasing; or
- Make an inquiry to the Finance Department concerning the proper procedures; or
- Request an opinion from the City Attorney through the City Manager’s Office.

Purchase Orders With Contract Change Orders:

For original purchase orders less than \$15,000.00, change orders increasing or decreasing the original purchase order by not more than ten Percent (10%) shall be approved by the City Manager or his/her designee.

For original purchase orders between \$15,000.00 and the State bidding limit, change orders increasing or decreasing the original purchase order by not more than Fifteen Percent (15%) shall be approved by the City Manager or his designee.

For original purchase orders for bid items approved by the City Council, change orders increasing or decreasing the original contract or bid amount by an aggregate amount of more than the State authorized level or Fifteen Percent (15%) may not be approved.

In no case shall the combined total of all change orders exceed an increase of Fifteen Percent (15%) of the original contract amount.

Bid Openings:

All formal bids/proposals shall be submitted to the City Clerk’s Office where they are date and time stamped upon receipt. Bid openings are conducted on Thursdays starting at 1:00 p.m. at the location specified in the invitation to bid. Vendors and the public are invited and encouraged to attend. Bids/proposals received after the specified date and time deadline are disqualified. Late bids/proposals cannot be considered for award of purchase.

Bidder(s)’ Protest Procedure:

PROTEST:

A statement of protest, if any, shall be submitted to the City of Lake Mills’ Finance Department for transmittal to and consideration by the City of Lake Mills.

A protest must be submitted in writing and must be supported by sufficient information to enable the protest to be considered. A protest will not be considered if it is insufficiently supported or it is not received within the time limits set forth in the below paragraph entitled TIMELINESS. A protest may be submitted based upon the following reasons:

A protest relating to restrictive procedures, alleged impropriety, or other similar situations arising prior to bid opening, or

A protest of the award of contract or alleged impropriety arising after bid opening as set forth in the below section entitled TIMELINESS.

TIMELINESS:

To be effective, a protest must be submitted so that it is received by the Contracting Officer by the following deadlines:

A protest based upon restrictive procedures, alleged impropriety or other similar situations arising prior to bid opening must be received by the City of Lake Mills' Finance Department no later than five (5) working days prior to the specified bid opening date and may only be protested once.

A protest of the award of contract or alleged impropriety arising after the bid opening must be received by the City of Lake Mills' Finance Department within five (5) working days following the earlier of the date on which the bidder knew or the date on which a diligent bidder would have known of the award or alleged impropriety.

HOW TO ISSUE A PURCHASE ORDER:

A Purchase Order document initiates the procurement process for purchases. A Purchase Order represents a binding and enforceable agreement with a vendor/supplier to provide the goods and services in accordance with the terms and conditions of the Purchase Order and associated documents. The City of Lake Mills Purchase Orders are sequentially-numbered.

NOTE: Procurement by Credit Card can be used for purchasing of relatively low-dollar and high volume items such as materials and supplies that are routinely consumed in the normal course of operations. The Credit Card is intended to complement, not circumvent the Purchase Order program.

Procedure To Issue A Purchase Order:

1. The department head or other authorized employee creates a purchase order for the procurement of goods or services by entering all of the pertinent information relating to the purchase that includes:

- Ship To Address (and Attention)
- Bill To Address:
 - This is unnecessary unless the Bill To Address is different from the Ship To Address.
- Vendor Number
- Vendor Name and Address:
 - The vendor's name and address is automatically activated by the vendor number which is setup in the vendor master file.
- Purchase Order Number:
 - The purchase requisition and purchase order numbers are both computer-generated, sequentially-numbered and are both different thereby

preventing additional purchases from being made from the same original purchase requisition and purchase order numbers.

- Purchase Order Type
- Purchase Order Date
- Account to be used for payment
- Ordering Unit and Buyer Name:
 - This identifies the department making the purchase and the specific fund that the vendor invoice will be paid from.
- Body of the Purchase Order :
 - The order should be described in as much detail as space permits and should specify exact quantity, unit of measure, manufacturing number, description of goods or service, unit price and total price. Special comments or terms can be added when creating the purchase requisition. The freight F.O.B (Free on Board) options of Destination or Origin should be noted if the product is shipped.

Employees, who are designated by memorandum furnished to the Finance Department, may sign a Purchase Order for a purchase or payment authorization up to a specified limit that is set by the Department Head.

The Department Head approves or rejects the purchase order and notifies the Finance Department of the proposed purchase.

The Treasurer-Finance Director and City Manager review the departmental purchase orders that have been initiated to determine whether or not there are sufficient funds available in a particular fund for a proposed purchase.

If the proposed expenditure exceeds the balance in the Account, the Treasurer-Finance Director notifies the department buyer who issued the purchase order. It is the department's responsibility to maintain sufficient funds in the budget account to allow for purchases. If the account lacks sufficient funds, the department shall choose one of the following three (3) procedures:

- Withdraw the request, or
- Request a transfer of funds within the department operational budget accounts, or
- Request a budget amendment

Any change to the operational budgets requires the Finance Director/Treasurer approval. Budget amendments and fund transfers require the City Council's approval.

The Finance Department then returns both parts (3-part for utility dept. purchases) of the Purchase Order to the originating departmental buyer. A purchase order will be returned to the department buyer the next business day.

The departmental buyer orders the goods and/or services.

After the ordered goods have been received or the services have been provided and the purchasing department has ensured that all goods and services ordered have been received or provided, the department buyer will initial and attach the original Purchase Order to the vendor invoice, bill of lading, packing slip, correspondence and all other

receiving and supporting documentation. The department buyer will then forward all of these documents in their entirety to the Finance Department for vendor invoice payment processing.

NOTE: The Finance Department distributes monthly budget expenditure reports to departments for their review and analysis on the 15th calendar day of each month.

Lake Mills
Policies and Procedures
Prepared by James Heilman, Finance Director
March 25, 2013

Policy: Risk Management

Title: Safety, Liability and Insurance

Reviewed by:

Implementation Date:

Revision Date:

Next Scheduled Review Date:

Approval:

Policy Statement: The Financial Assistant will annually review the City's insurance coverage to insure adequate coverage against loss at the best possible cost. The Financial Assistant will provide an assessment of the insurance coverage needs of the City for review and approval by the Treasurer-Finance Director.

The Financial Assistant will work with our insurers to conduct property inspections, as needed, for the purpose of updating replacement values for property and equipment.

The City's contracted safety consultant will work with our insurers to conduct an annual safety audit of all City facilities in order to identify potential risk conditions and then identify the necessary steps to remedy those conditions.

The City strives to insure work place safety from both a loss prevention standpoint and out of concern for the health and welfare of its employees. The City's contracted safety consultant is responsible for the creation of safety programs for the workplace and works with City administration to implement those programs.

The City will always transfer risk and liability to contractors doing business with the City. The City will transfer risk and liability whenever possible to organizations which hold events on municipal property. The City Council will decide on a case by case basis if an event can be held when no liability insurance can be obtained by the organization. Adequate liability insurance coverage naming the City as "additional insured" will be required as a means of transferring risk and liability.

Lake Mills
Policies and Procedures
Prepared by James Heilman, Finance Director
March 25, 2013

Policy: Debt Management

Title: Financing Capital Improvements

Reviewed by:

Implementation Date:

Revision Date:

Next Scheduled Review Date:

Approval:

Policy Statement: The City shall strive to maintain a balanced financing of its capital improvements through utilization of current revenues and issuance of long term debt. The City recognizes that access to capital markets over the long term is dependent upon the City's commitment to full and timely repayment of debt. The City may issue bonds and notes for purposes of financing its capital improvements or to refund existing debt. Capital improvements include projects to acquire, plan, design, construct, improve and equip all or any part of its facilities or systems, promote economic development or to secure quality of life improvements.

I. General Guidelines:

- a) The City shall assess the fiscal impact of the debt prior to issuance.
- b) General obligation debt shall not exceed Wisconsin State statute limitations of 5 percent of equalized valuation.
- c) Total annual debt service payments on tax-supported debt, excluding tax increment finance debt, of the City will normally not exceed 33 percent (33%) of total general government operating revenue.
- d) The City shall not enter into any contracts creating significant unfunded liabilities.
- e) The City should consider all other available options first, before considering debt obligations which have variable interest rates, negative amortization or other risky attributes, including but not limited to auction-rate bond issues, or loans with unusual deferred principal payment.
- f) The City will not use long term debt to finance current operations.

II. Maximum Maturity:

All tax supported debt obligations shall have a maximum maturity of the earlier of: (i) the estimated useful life of the capital improvements being financed; (ii) twenty years; or (iii) in the event they are being issued to refinance outstanding debt obligation, the final maturity of the debt obligations being refinanced unless a longer term is recommended by the Treasurer-Finance Director.

III. Refunding:

Periodic reviews of outstanding debt by Treasurer-Finance Director or designee shall be undertaken to determine refunding opportunities. Refunding may be considered by the Council if it appears there may be a net economic benefit of the refunding.

In general, refunding for economic savings may be undertaken when the present value of future annual debt service savings net of issuance cost amount to at least two percent (2%) of the refunded debt.

IV. Needs Assessment and Fund Alternatives:

a. Identifying Useful Life of Project.

Capital projects and equipment financed through the issuance of debt shall be financed for a period not to exceed their expected useful lives. Utilization of debt for capital expenditures shall normally be limited to the purchase of equipment or real property that has a useful life of two or more years and a cost of \$5,000 or more, with the exception of equipment such as furnaces, fixtures or equipment that lose identity when installed on real property.

b. Review of Financing Alternatives.

- i. The City may consider using non-general obligation debt to finance activities that are funded from sources other than general property taxes.
- ii. The City may implement impact fees, and negotiate developer contributions and seek grants to finance capital improvements whenever possible to ensure that new development pays its fair share of the increased costs created by the new development.
- iii. As the budget is prepared, the City may determine, based upon the financial interests of the City, the appropriate ratio of tax levy paid projects to financed projects.
- iv. Under no circumstances shall the City install public improvements for private development without fully securing the financial interests of the City.

V. Issuance of Obligations:

It is the policy of the City that the City Manager, Treasurer-Finance Director, the City Attorney; City Financial Advisor and City Bond Counsel coordinate their activities to ensure that all securities and other debt obligations are in compliance with all applicable legal requirements and that the securities and other debt obligations are issued in the most cost-effective manner.

VI. Disclosure:

The City is committed to transparent financial disclosure, and to cooperating fully with rating agencies, institutional investors, other units of government, and the general public, in order to share clear, comprehensible, and accurate financial information.

The City Manager or designee shall provide continuing disclosure in compliance with any continuing disclosure certifications that may be made at the time of each debt issuance.

Lake Mills
Policies and Procedures
Prepared by James Heilman, Finance Director
March 25, 2013

Policy: Investment Policy

Title: Investment of Operating Funds

Reviewed by:

Implementation Date:

Revision Date:

Next Scheduled Review Date:

Approval:

Policy Statement: To establish a uniform policy governing the investment of operating funds of the City of Lake Mills. It is the policy of the City of Lake Mills to invest public funds in a manner that will provide the highest investment return consistent with the protection of principle while meeting the daily cash flow demands of the City. The City shall conform to all applicable legal requirements governing the investment of public funds.

I. Investment Objective:

The primary objectives, in priority order, of the City of Lake Mills investment activities shall be:

- **Safety.** Investments of the City shall be undertaken in a manner that seeks to ensure the preservation of capital.
- **Liquidity.** City investments will remain sufficiently liquid to enable the City to meet all operating requirements that might be reasonably anticipated.
- **Return on Investments.** City investments shall seek a high rate of return commensurate with the objectives of safety and liquidity.

II. Delegation of Authority:

Management responsibility for the investment of funds is hereby delegated to the City Manager and Treasurer-Finance Director with oversight by the City Council.

III. Ethics and Conflicts of Interest:

Officers, elected and appointed officials and employees involved in the investment of funds shall abide by the City Ethics Code. Employees and investment officials shall disclose to the City Manager any material financial interest in financial institutions that conduct business within the City, and they shall further disclose any **large** personal financial investment positions that could be related to the performance of their duties for the City of Lake Mills, particularly with regard to the time of purchases and sales.

IV. Authorized and Suitable Investments:

The investment of City funds shall be in accordance with Wisconsin State Statutes. City policy when practicable is to maintain checking account balances under \$10,000 with excess amounts transferred to approved financial institutions for appropriate investment. Investment amounts should be limited, when possible, to the maximum of state and FDIC insurance limits for each institution, unless collateralized.

- **Certificates of Deposit.** City funds may be invested in time deposits in any credit union, bank, savings bank, trust company, or savings and loan association, which is authorized to transact business in the state of Wisconsin if the time deposits mature in less than three (3) years. Preference may be given, within reason, to area financial institutions.
- **Government Bonds and Securities.** City funds may be invested in United States government bonds or securities which are direct obligations of, or guaranteed as to principal and interest by, the federal government; and bonds, or securities which are obligations of an agency, commission, board or other instrumentality of the federal government, where principal and interest are guaranteed by the federal government. The securities must be purchased through finance institutions authorized to conduct business in the state of Wisconsin and placed in safekeeping in a segregated account in the City's name as any designated public depository or approved financial institution.
- **Local Government Investment Pool (LGIP).** City funds may be invested in the Wisconsin Local Government Investment Pool.
- **Wisconsin Investment Trust.** City funds may be invested in the Wisconsin Investment Trust.
- **Savings Deposit.** City funds may be invested in interest bearing savings, demand deposits, and money market accounts.

Lake Mills
Policies and Procedures
Prepared by James Heilman, Finance Director

March 25, 2013

Policy: Utility Revenues

Title: Utility Rate Policies

Reviewed by:

Implementation Date:

Revision Date:

Next Scheduled Review Date:

Approval:

Policy Statement: The revenues to each Utility primarily come from customer charges dependent on established rates. State law requires that utility funds be used only for utility purposes. Since each Utility has somewhat differing service areas, it is essential for ratepayer equity that they be kept financially separate and accountable. The City's General Fund can legally contribute to the Utility funds but does not. The City budgeting process includes a balanced and controlled annual Utility budget. This requires careful preparation of expense and revenue projections that will be reviewed by City Administration, the Public Works Board, the Public Service Commission and the City Council, along with public participation, prior to approval of any change in Utility rates.

IV. RATE POLICIES

Rate Levels: Rates and charges for the services of said Utilities will be fixed in an amount sufficient to pay the costs of operating and maintaining said systems and to provide an amount of revenue sufficient to pay debt service, reserve, replacement and improvement requirements and all other requirements and covenants provided in the Revenue Bond Ordinances. Changes in rate levels should be gradual and uniform to the extent that costs (including CIP and Renewal & Replacement transfers) can be forecast.

Discussion: A variety of factors including rate stability, revenue stability, the encouragement of practices consistent with utility objectives and the Lake Mills Utilities Financial Policies are considered in developing utility rates. The general goal is to set rates as low as possible to accomplish the ongoing operations, maintenance, repair, long-term renewal and replacement, capital improvements, debt obligations, reserves and the general business of the Utilities.

Long-range financial forecast models will be continually developed for each of the Utilities, which include estimated operating, capital and renewal/replacement costs for a 10 year period in order to plan for funding long-term costs.

Operating costs are assumed to remain at the same level of service and don't include impacts of potential changes due to internal, regional or federal requirements. Capital costs, including renewal/replacement, are projected based on existing CIP costs and approximated survival curves for the infrastructure. The models are used to project rate levels that will support the long-term costs and to spread rate increases uniformly over the period. This is consistent with the above policy that changes in rate levels should be gradual and uniform. Uniform rate increases help ensure that each generation of customers bears their fair share of costs for the long-term use and renewal/replacement of the systems.

The budget process provides an opportunity to add to or cut current service levels and programs. The final budget, with the total authorized expenses including transfers to the CIP Fund and the R&R Account, establishes the amount of revenue required to balance the expenses. A balanced budget is required. The budgeted customer service revenue determines the level of new rates. For example, if the current rates do not provide sufficient revenues to meet the projected expenses, the costs have to be reduced or the rates are increased to make up the shortfall.

Debt Coverage Requirements: Utility rates shall be maintained at a level necessary to meet minimum debt coverage levels established in the bond covenants and to comply with the Revenue Bond Ordinances which establishes a target coverage ratio of 1.25.

Discussion: Existing revenue bond covenants legally require the City's Utilities, which includes the Water, Sewer and Electric Utilities, to maintain a minimum debt coverage ratio of 1.25 on a combined basis.

Frequency of Rate Increases: Utility rates shall be evaluated annually and adjusted as necessary to meet budgeted expenses to achieve financial policy objectives.

Discussion: Utility rates will be evaluated on an annual basis and adjusted as necessary to ensure that they are effectively managed to achieve current and future financial policy objectives. Annual rate reviews will include preparation of forecasts covering a ten-year period for Utility revenues, expenditures, reserve balances and analysis of the impact of various budgetary elements (i.e. CIP transfers, R&R Account transfers, debt service costs, debt coverage levels, operating expenses, and reserves) on both current and future rate requirements.

Lake Mills
Policies and Procedures
Prepared by James Heilman, Finance Director

March 25, 2013

Policy: Utility Billing Policy & Procedures

Title: Utility Bills

Reviewed by:

Implementation Date:

Revision Date:

Next Scheduled Review Date:

Approval:

Policy Statement: To bill for utility service accurately and promptly, and to take timely and reasonable actions to collect past due amounts. All utility customers are billed by the City of Lake Mills. A utility is defined as water service, sewer service, and/or electric services.

Utility Billing Set Up

Initial Contact. Upon receiving a request for new utility service from an industry or from a residential customer, the Public Works Director is responsible for determining meter size and for placing the meter. The Billing Clerk is responsible for having the customer complete the application, collect the appropriate deposit amount, and complete set up of the customer account.

Application. A completed application for service must be received and reviewed for completeness by the Billing Clerk prior to installation of new service or releasing responsibility of prior customer if residence is sold, transferred, or leased to a new tenant.

Any customer who is not the property owner must provide the above information plus a current photo ID, and a lease agreement (which includes the service address and the term of the agreement) signed and dated by the tenant and the landlord.

Customer Deposit. The purpose of a customer deposit is to try to ensure that all utility charges are collected, which helps keep rates from unduly increasing for those customers who do pay their bills.

- Any person requesting utility service who has previously had an unpaid bill charged off by the City will be required to repay this amount, plus pay a deposit.
- The City has the right to apply the customer deposit to unpaid utility charges after an account is more than 60 days past due. If all or any portion of a customer deposit is applied to past due charges, and the customer continues to receive

utility services, the City may require the customer to replenish deposit amounts at the discretion of the Treasurer-Finance Director.

Refund of Deposit. The City reserves the right to retain deposits to assure payment of utility charges. However, the City may elect to refund deposits in the following situations provided the account is at a zero balance:

- After 12 consecutive months of payments received on time and without instances of returned payments of any type; or City of Lake Mills Utility Billing Policy and Procedures
- Upon customer request for termination of service and City determination that either the residence or business will remain vacant or another responsible person has applied for service; or
- Other circumstances satisfactory to the Treasurer-Finance Director that all future utility bills will be paid in their entirety and in a timely manner.
- The City retains the option of effecting refunds in cash or applying to outstanding or future utility charges. No refunds will be made for amounts less than \$1.00.

Transfer or Disconnection of Service. A customer will remain responsible for any utility charges until the Billing Clerk is duly informed of any changes.

A Utilities Department staff member may visit a location where service has been terminated without a new customer assuming responsibility to verify that the location is vacant. The property owner of record is responsible for any utility consumption that occurs on an inactive account.

Billing.

Bills shall be prepared monthly for each billing cycle.

Bills are due 20 days from the billing date. Payment may be made by check, money order, in cash at the Collections counter, or by any other means offered by the City.

All bills not paid within 35 days will subject the customer to disconnection of service. If payment is not received by the 20th day at 5 pm, a late fee will be added to the customer's account.

If a bill is returned to the City of Lake Mills by the post office as undeliverable, the customer service representative shall make all reasonable efforts to obtain a forwarding address and correct the address in the Utility records. In the event that the bill becomes delinquent, the Billing Clerk shall follow the collection efforts below.

It is the customer's responsibility to contact the City of Lake Mills in the event that they do not receive a bill within 45 to 60 days of initiating service, or within 35 days of their previous bill.

Payments will be applied to customer accounts in the following order: fees and miscellaneous charges, sanitation charges, sewer charges, water charges.

Returned payments.

All checks returned for uncollected or insufficient funds will be presented to the customer's bank twice before contacting the customer for replacement.

Bank drafts and other payment types will only be presented once, and if returned, the customer will be contacted immediately. The customer will also be removed from the bank draft service.

Customers will be contacted by telephone first, if possible. Letters may be sent if no other means of contact is available.

Customers presenting checks and drafts which are not honored by their banks will be assessed a charge to reimburse the City staff administrative time in accordance with the fee schedule in effect at that time. Any such fees will be added to the account and must be paid with other past due charges in order to continue Utility service.

Customers who do not make good any returned checks or bank drafts and applicable fees will be considered to have not made any payment, and will be subject to procedures for the collection of past due Utility charges.

Collection of Past Due Utility Charges.

Past Due Accounts. A disconnection notice will be mailed if the account is past due. **A Courtesy 24-hour notice will be posted at the property. If no payment is received or agreeable payment arrangement made, service will be disconnected.** If payment is not received by 5 pm the day before the disconnection date noted on the bill, a late fee in accordance with the fee schedule in effect at that time will be added to the customer's account. The account will then be disconnected.

The Utility Billing Clerk may forward the name, address, and balance due to the City Attorney who will prepare a collection letter explaining the legal consequences of non-payment.

The terms of the nonpayment may be communicated to any or all of the nationally recognized credit reporting agencies.

Customer may be denied access to Utility services.

If an electric-only account is disconnected, Electric/Water Utility staff will leave a door hanger at the service address noting the date of disconnection, which must be at least one business day after placement of the notice.

If the customer wishes to reinstate service, a fee of \$40, during business hours, \$60, after business hours must be paid along with past due amount.

Remaining balances on terminated accounts may be transferred to a customer's active utility account for collection of charges due.

Lake Mills
Chart of Accounts
Prepared by James Heilman, Finance Director
March 25, 2013

Exhibit A
Chart of Accounts
GENERAL FUND

| <u>Name</u> | <u>Fund/department</u> | <u>Account</u> | <u>Object</u> | <u>Sub-object</u> | <u>Program</u> |
|---------------|------------------------|----------------|---------------|-------------------|----------------|
| Legislative | 10010 | 5110 | 31 | 00 | 000 |
| Boards/Cte | 10012 | 5112 | 31 | 00 | 000 |
| Judicial | 10013 | 5120 | 31 | 00 | 000 |
| Legal | 10014 | 5130 | 31 | 00 | 000 |
| Exec | 10015 | 5141 | 31 | 00 | 000 |
| Plan | 10000 | 5630 | 21 | 00 | 000 |
| Ani Ctl | 10000 | 5410 | 29 | 00 | 000 |
| CATV | 10011 | 5111 | 13 | 20 | 000 |
| C-T | 10016 | 5142 | 13 | 10 | 000 |
| C-T | 10016 | 5710 | 81 | 00 | 000 |
| Elections | 10017 | 5144 | 31 | 00 | 000 |
| Assessment | 10018 | 5153 | 31 | 00 | 000 |
| Comm. Ctr | 10019 | 5514 | 31 | 00 | 000 |
| Fac. Maint. | 10020 | 5160 | 31 | 00 | 000 |
| Bldg Insp | 10021 | 5240 | 29 | 00 | 000 |
| Police | 10030 | 5210 | 31 | 00 | 000 |
| Police | 10030 | 5210 | 31 | 00 | 000 |
| Fire | 10035 | 5721 | 31 | 00 | 000 |
| Fire | 10035 | 5722 | 31 | 00 | 000 |
| EMS | 10000 | 5230 | 29 | 00 | 000 |
| Streets | 10040 | 5310 | 31 | 00 | 000 |
| Streets | 10040 | 5721 | 82 | 10 | 000 |
| Recycling | 10045 | 5363 | 31 | 00 | 000 |
| Street Lights | 10000 | 5342 | 43 | 00 | 000 |
| Cemetery | 10050 | 5491 | 31 | 00 | 000 |
| Library | 10055 | 5511 | 15 | 10 | 000 |
| Parks | 10060 | 5520 | 31 | 00 | 000 |
| Parks | 10060 | 5762 | 31 | 00 | 000 |
| Pks & For Ad | 10061 | 5521 | 15 | 20 | 000 |
| Sandy Beach | 10062 | 5540 | 31 | 00 | 000 |

| | | | | | |
|-----------------|-------|------|----|----|-----|
| Forestry | 10063 | 5690 | 31 | 00 | 000 |
| SPECIAL REVENUE | | | | | |
| Park Imp | 20000 | 0000 | 00 | 00 | 000 |
| RLF | 21000 | 0000 | 00 | 00 | 000 |
| Special As | 22000 | 5734 | 29 | 00 | 000 |
| Sanitation | 23000 | 5362 | 29 | 00 | 000 |
| CAPITAL PROJECT | | | | | |
| TID#2 | 40200 | 0000 | 00 | 00 | 000 |
| TID#3 | 40300 | 0000 | 00 | 00 | 000 |
| TID#4 | 40400 | 0000 | 00 | 00 | 000 |
| TRUST | | | | | |
| Cem Pet Care | 80000 | 5920 | 00 | 00 | 000 |
| Library Res. | 81000 | 0000 | 00 | 00 | 000 |

Lake Mills
Accounting Activities
Prepared by James Heilman, Finance Director
March 25, 2013

Exhibit B

Daily Activities

- 1) Open mail, separate invoices, cash receipts, other.
 - a) Cash receipts
 - i) Prepare a list of cash receipts.
 - ii) Stamp all checks "for deposit only"
 - iii) Copy checks for documentation as necessary.
 - iv) Code receipts for entry in to general ledger.
 - b) Invoices
 - i) Match invoice up with purchase order and receiving reports.
 - ii) Code invoices with appropriate expense account code.
 - iii) Enter invoices into accounts payable system.
- 2) Receive payments from customers
 - a) Prepare a receipt for all payments. Give original to customer, keep copy for records.
 - b) Code receipts according to type (tax, license, fine)
 - c) Stamp all checks for deposit only.
- 3) Prepare and make daily deposit
 - a) Accumulate all cash receipts.
 - b) Prepare bank deposit.
 - c) Make deposit.
 - d) Record receipts in general ledger.
- 4) Other duties
 - a) Accumulate information for required purchases.

Lake Mills
Accounting Activities
Prepared by James Heilman, Finance Director
March 25, 2013

Exhibit C

Weekly Activities

- 1) Review accounts payable and write checks.
 - a) Review accounts payable aging to determine what bills are due.
 - b) Select items to be paid and write checks.
 - c) Assemble "package" for each for review and signature. Include original check and copies, purchase order, receiving report and other pertinent information.
 - d) Present package to authorized person for signature.
 - e) Mark each invoice paid with date and check number.
 - f) File each package in vendor files.
- 2) Verify that all checks and receipts have been recorded for the week.
- 3) Prepare payroll information based on time management system. Prepare checks based on pay schedule.
- 4) Prepare and make payroll tax deposit as required.
- 5) Prepare purchase orders and obtain required signatures. Mail purchase orders to vendors.

Lake Mills
Accounting Activities
Prepared by James Heilman, Finance Director
March 25, 2013

Exhibit D

Monthly Activities:

- 1) Books should be closed monthly. This means reconciling cash, reconciling accounts to subsidiary ledgers, and recording journal entries.
- 2) Determine a reasonable time frame for closing books. Generally 15 to 20 days after the end of the month.
- 3) The following items should be performed at the end of each month:
 - a) Cash should be reconciled for all accounts.
 - i) See separate section on bank reconciliations.
 - b) Interest on investments should be recorded monthly.
 - i) Use estimates if actual figures aren't available (estimate monthly interest on CD's)
 - c) Amounts due from other governments (payments to subdivisions), funds and other entities should be recorded.
 - i) Amounts due from other funds = "Due from" (receivable) account.
 - ii) Amounts due from external entities = receivables.
 - iii) The accounts receivable balances (i.e., accounts receivable, grants receivable, other receivables) should be reconciled to the subsidiary ledgers.
 - d) Amounts owed but unpaid at the end of the month should be recorded.
 - i) Review all unpaid invoices and record all accounts payable.
 - ii) Reconcile accounts payable subsidiary ledger balance to the general ledger.
 - e) Record liabilities for unpaid payroll and payroll taxes.
 - i) Make sure that your withholding liability accounts are clearing out, and that the amounts shown on the balance sheet represent the actual amounts owed at the balance sheet date.
 - f) Prepare monthly financial reports (see separate section on reporting).