

City of Portage
Finance/Administration Committee Meeting
(This meeting will constitute a meeting of the Community Development Block
Grant Committee as a quorum of members will be present; but no business of
this committee will be taken up.)
Thursday, May 26, 2016 6:30 p.m.
City Municipal Building, 115 West Pleasant Street
Conference Room One
Agenda

Members: Dennis Nachreiner, Chairperson; Mark Hahn, Mary Hamburg, Martin Havlovic, Doug Klapper

1. Roll call
2. Approval of minutes from May 9, 2016.
3. Discussion and possible recommendation on VMF Soccer Field Construction (Project #16-30C05).
4. Reconsider recommendation to replace Dump Truck from May 9, 2016 meeting (change to action per Procurement Policy).
5. Reconsider recommendation to replace Bucket Truck from May 9, 2016 meeting (change to action per Procurement Policy).
6. Discussion on meeting time.
7. Adjournment

Dennis Nachreiner, Chairperson

City of Portage
Finance/Administration Committee Meeting
Monday, May 9, 2016 6:00 p.m.
City Municipal Building, 115 West Pleasant Street
Conference Room One
Minutes

Members Present: Dennis Nachreiner, Chairperson; Mary Hamburg, Doug Klapper

Excused: Mark Hahn, Martin Havlovic

Also Present: Administrator Murphy, Finance Director Mohr, Parks & Recreation Manager Kremer, Director of Public Works Jahncke, Craig Sauer – Daily Register, Bill Welsh – Cable TV

1. Roll call

The meeting was called to order at 6:00 pm by Chairperson Nachreiner.

2. Selection of Vice Chair.

Chairperson Nachreiner asked for nomination for Vice Chair.

Motion by Klapper, second by Hamburg to appoint Havlovic as Vice Chair. Motion carried unanimously on call of roll.

3. Approval of minutes from April 11, 2016.

Motion by Klapper, second by Hamburg to approve minutes from April 11, 2016. Motion carried 3-0 on call of roll.

4. Discussion and possible recommendation on Tree Inventory Bid (Project#16-210P01).

Kremer reviewed the memo indicating this is coming to Finance because it is \$750 over budget in which the Park and Recreation Board has approved utilizing the Parkland Fund's reserve to cover. The Park and Recreation Board is recommending the bid from Wachtel Tree Service for the base bid of \$21,750 and Alt 3 for Ecosystem Date for \$1,500 for a total bid of \$23,250, (the base bid includes Alt 1 dollar value per tree and Alt 2 heaving sidewalk identification at no extra charge.) The budget is \$22,500 with \$11,250 to be reimbursed from the Wisconsin DNR from the Wisconsin Urban Forestry Grant. The decision to choose Wachtel was partially based on when the service could be performed and the location of the company (WI vs. CA).

Kremer indicated the inventory will include trees on city property including 16 parks and the boulevards and right of ways. It will not include trees on undeveloped property or parks, or areas of the parks that are not currently maintained. The information will be used to assist in calculating the cost to treat Ash trees along with the diversification and replacement planning.

Motion by Hamburg, second by Klapper to recommend awarding the contract to Wachtel for the base bid of \$21,750 and the Alt 3 \$1,500 for a total of \$23,250 with the \$750 overage to be paid out of Parkland Fund's reserves. Motion carried 3-0 on call of roll.

5. Discussion and possible recommendation on bids for replacement of Plow Truck (Project#16-420E06).

Jahncke presented the bids for the plow truck breaking it into two sections. The bid for the box/plow is recommended to be awarded to the low bidder Monroe Truck Equipment for a total bid of \$31,763. The chassis bid is recommended to be awarded to V&H Trucks for a net bid (including the deduction for the trade in) of \$70,494 which is \$4,128 above the low bid. For that reason it is being brought before Finance. The total of the recommended bids is \$102,257. The budget for the plow truck is \$115,000 which brings the plow truck under budget in the amount of \$12,743.

The V&H Truck, Western Star model, is recommended due to the ability to maintain the wiring and numerous control modules in house. The International and Freightliners models require specialized equipment to run diagnostics and need to be sent back to the dealer for repairs. The \$4K overage is anticipated to be recovered over a couple years in maintenance and efficiency costs.

Motion by Nachreiner, second by Hamburg to recommend awarding the contract to Monroe Truck Equipment for the box/plow for \$31,763 and to V&H Trucks for the Western Star chassis in the amount of \$70,494 for a total of \$102,257. Motion carried 3-0 on call of roll.

6. Discussion and possible recommendation on bids for replacement of Bucket Truck (Project#16-420E05).

Kremer indicated that only one bid was received for the bucket truck with a net proposal of \$126,535 and in addition a jib and winch option for \$6,347 that will add functionality. The total recommendation is \$132,882 which is over budget (\$120K) by \$12,882. The savings from the plow truck above is being proposed to be used for the overage on the bucket truck.

It is proposed to keep the current 2000 bucket truck with at 26' reach for smaller projects and use the new bucket truck with at 47' reach and down riggers for the larger projects. This will allow both Park & Recreation and Public Works to utilize the trucks at the same time whereas now they have to coordinate the scheduling of one truck.

An option to install the utility box inhouse vs. having it preinstalled, which would have reduced the price by \$1,062, was analyzed. It was determined that the material alone would have been more expensive than having it preinstalled.

Motion by Klapper, second by Hamburg to recommend option 2 in the memo for the 47' bucket truck base amount \$126,545 and the addition of the jib and winch of \$6,347 for a total of \$132,882. Motion carried 3-0 on call of roll.

7. Discussion and possible recommendation on Debt Post Issuance Compliance Policy.

Murphy reviewed the City of Portage Debt Post Issuance Compliance Policy (The Policy). He indicated as part of the Dodd Frank Act, that came about as part of the Wall Street debacle, the City is required to adopt and follow the Policy that insures the money borrowed is used for tax exempt purchases. The interest earned by the lenders is exempt from Federal taxes. The Policy contains various other reporting requirements

and is administered by the City Administrator and/or Finance Director with the assistance of Ehlers, the City's Financial Advisor.

Motion by Klapper, second by Hamburg to recommend the Debt Post Issuance Compliance Policy. Motion carried unanimously on call of roll.

8. Discussion and possible recommendation of claims.

Nachreiner addressed the situation of owning Zimmerman Plumbing which at times may have a payment from the city included in the claims. The City Clerk and Attorney have advised Nachreiner that unless the payments are for items purchased through a contract between the City and Zimmerman Plumbing (ie: capital project) Nachreiner is allowed to vote and participate on claims (ie: if the purchases are for retail parts he would be allowed). Mohr presented monthly claims in the amount of \$1,325,053.86 with debt payments of \$394,637.86 for a total of \$1,719,691.72.

Motion by Klapper, second by Hamburg to recommend claims in the amount of \$1,719,691.72. Motion carried unanimously on call of roll.

9. Staff Report.

- a. Audit Status – We are on track to have the final audit around the end of May at this point.
- b. Mohr handed out the proposed 2017 budget review schedule including all planned Finance meetings for the remainder of the year. Murphy further indicated that we will need a meeting before the May 26th Council meeting to discuss and possibly recommend the bid for the Soccer Field. Nachreiner added that he would also like to discuss the time of the Finance meetings at that meeting. It was discussed that the committee would meet at 6:30 prior to the Council on May 26th.
- c. Murphy indicated that at the next regular Finance meeting we will be reviewing the debt limit policy and funding options.

10. Adjournment.

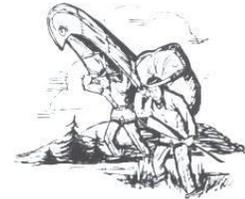
Motion by Hamburg, second by Klapper to adjourn the meeting at 6:43 p.m. Motion carried unanimously on call of roll.

Jean Mohr, Finance Director

Date Approved:

CITY OF PORTAGE

115 West Pleasant Street
Portage, Wisconsin 53901
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"Where the North Begins"

To: Finance Committee
From: Dan Kremer, Manager of Parks and Recreation
Date: May 19, 2016
Subject: Construction Administration – VMF Soccer Fields

In 2015 when the design contract was awarded for Rettler it included topographical mapping (\$3,100), design (\$8,500), and construction staking (\$2,500) for a total of \$14,100. In addition, Rettler alerted the City to provide an allowance of \$2,400 for geotechnical work. At that time, the City awarded the contract for design services for \$14,100 and budgeted a geotechnical allowance of \$2,400.

After beginning design work, our design engineers discovered what appeared to be wetland and asked the City to conduct a wetland delineation study to allow a grading permit to be granted when construction was to begin. The wetland study was an additional \$2,000 that was approved via change order. Following the study, wetland was confirmed.

Following confirmation of the wetland and further investigation of the high ground water; our design engineers recommended performing 10 sites for soil borings and bids for geotechnical work came in at \$3,850. That was \$1,450 over the allowance the City was planning for. In January of 2016 the finance committee relocated a total of \$3,450 (\$2000 plus \$1,450) from the Pine Meadow Tennis Court project to cover the additional cost.

Near the end of the project the City Engineer asked Rettler to proceed with storm water design and permitting as this component is a requirement for projects of this magnitude. The additional storm water design and permitting was \$2,950 and a \$500 permit fee. Rettler has also provided a bid to provide construction administration for the soccer field construction for \$5,900. If all is awarded, here is how the budget breaks down -

\$290,423 – MZ Construction with approval and award of change order (construction)
\$5,900 – Rettler (construction oversight and administration)
\$2,950 – Storm water design and permitting (Rettler)
\$500 -storm water permit fee (State)

\$299,773 total anticipated (Budget is \$300,000)

The Parks and Recreation Board on May 17 recommended to the finance committee to award all of the above items and also reallocate \$26,000 from the skate park project to include the irrigation alternate within the contract. With the addition of the irrigation, the total project award amount is \$325,773.

Dan Kremer
Manager of Parks and Recreation

City of Portage Procurement Policy

(Rev 5/11/15)

Objectives:

1. To obtain goods and services at the lowest possible price consistent with quality and performance.
2. To ensure that materials, services and equipment are available to operating units on a timely basis.
3. To provide an internal control process over city expenditures.
4. To provide a standardized system for purchases by all departments.
5. To ensure the City of Portage purchases are in compliance with federal and state laws and local ordinances regarding non-discrimination, equal opportunity and conflict of interest.
6. To maximize the value of public expenditures.
7. To encourage local vendors to compete for city purchases.

Scope:

All departments and utilities of the city are required to comply with the procurement policy.

Section I: Purchasing Thresholds

The following procedure pertains to all city purchases using budgeted funds, except for Public Construction Projects which shall comply with Section II D. If funds are not appropriated then no purchase shall be completed until the City Council appropriates the necessary funding upon recommendation by Finance and Administration Committee. All purchases of \$1,000 or greater must be proceeded by a Purchase Request Form submitted to the City Treasurer.

Budgeted purchases by employees up to \$499 in any department are authorized. Invoices for such purchases shall be submitted to the Deputy Clerk by the end of the following work day after receipt. Department Heads may authorize budgeted purchases of \$500 to \$999 made by a subordinate.

Budgeted purchases between \$1,000 and \$4,999 in any department are approved by the appropriate Department Head and made only after completion and approval of a Purchase Request Form submitted to the City Treasurer. Invoices are then submitted to the Deputy Clerk by the end of the following work day after receipt.

Budgeted purchases of \$5,000 or more may occur upon approval by the Department Head and the City Administrator after confirmation of compliance with this Policy and completion of a Purchase Request form. Invoices are then submitted to the Deputy Clerk by the end of the following work day after receipt.

- A. Finance and Administration Committee shall review budgeted purchases only if one or more of the following circumstances are present:
1. Upon review of the bids or quotes received pursuant Section II it is determined that such bids exceed the appropriated funding or do not comply with bid specifications.
 2. In the opinion of a Department Head, City Administrator or Mayor, any questionable or irregular practices, communication(s) or event(s) occurred during the advertising, solicitation or receipt of bids, quotes or proposals that tainted or perceived to have tainted the competitive bid process.
 3. The budgeted project, equipment or service purchase or the circumstances, or urgency pertaining to the proposed project, equipment or service have changed, altered or are no longer available since funding was appropriated.
 4. The recommended award is not the lowest, eligible bid.

Vehicle purchases that have been budgeted and are purchased under a competitive purchasing agreement such as through the State of Wisconsin are exempt from the dollar threshold and additional bidding procedures.

Section II: Purchasing Procedures

- A. Competitive sealed bids are required for an individual purchase or purchases in the aggregate that exceed \$15,000. Sealed bidding requires specifications with sufficient detail and information so as to ensure fair competition. If the existing staff does not possess the expertise to create specifications or if the estimated cost to create specifications exceed 20% of the estimated project costs and the project can be successfully completed using only general specifications than the sealed bid requirement may be waived. Per a request of the Department Head the City Treasurer and City Administrator must approve waiving the sealed bid requirement. Less than three bids for all competitive sealed expenditures must be documented with a written explanation.
- B. Competitive written quotes are required for an individual purchase or purchases in the aggregate that exceed \$5,000. Every effort will be made to receive three quotes from qualified vendors. All quotes must be documented on the Purchase Request form.
- C. Competitive oral quotes are required and must be recorded for all individual purchases between \$1,000 and \$4,999.
- D. Public Construction Contracts. The City shall follow the bidding procedures for construction contracts as defined in Wisconsin State Statutes 66.0901. The appropriate standing Committee shall review required bids and make a

recommendation to Council. However, Finance & Administration Committee shall also review the recommendation prior to Council action if one or more of the circumstances listed under Section 1 A occur.

1. Contract Change Orders (CCO). CCO's shall require Council approval upon recommendation of original committee that recommended approval of the bids, except as follows:
 - a. For construction contracts, City Engineer or Department Head has the authority to approve CCO's that increase original contract award by a maximum aggregate amount of 15% or the budgeted amount, whichever is less, with subsequent report to the original committee that recommended approval of the bids. CCO increases that result in project exceeding original budget shall require Finance & Administration Committee recommendation in addition to original committee recommendation and Council approval. CCO's that modify the project scope or increase completion deadline, regardless of dollar amount shall require Council approval upon recommendation of the original committee that recommended approval of the bids.
 - b. Emergency CCO. City Engineer or Department Head has the authority to approve CCO's under emergency circumstances (defined as those requiring immediate action to avoid a serious work stoppage, delay and/or extra costs or those having the ability to cause damage to public/private properties or adversely impact public safety) with subsequent report to the original committee that recommended approval of the bids and Council.
 - c. CCO's that result in a decrease in the contract award (without modifying the project scope) may also be approved by the City Engineer or Department Head with a subsequent report to original committee that recommended approval of the bids and Council.

- E. Emergency Purchases. Under emergency conditions, purchases may be made by the Department Head or his designee. A purchase requisition shall be submitted to the City Administrator based on the purchase threshold, as soon as practical. Emergency conditions are defined as purchases necessary to protect and ensure public safety and to protect against excessive damage.

- F. Professional Services. Where the cost of service is estimated to exceed \$10,000 a Request for Proposal shall be prepared. Solicitation of proposals may be by general advertising, placing a notice in a publication likely to be viewed by the profession, posting on the City website along with other websites commonly used for sale and/or purchase of goods and services by municipalities and businesses, solicited by direct mail or phone, or any combination or method that will be received or viewed by the profession or service provider for which the proposal is intended.

Professional services that are estimated to cost between \$5,000 and \$10,000 may be purchased by competitive negotiation with oral quotes recorded.

Professional services estimated to cost less than 5,000 may be purchased from a sole source provider by a Department Head with approval of the City Administrator.

Section III: Budgetary Controls

A Purchase Request Form for planning purposes for all purchases of individual items and purchases for items that in the aggregate are estimated to exceed \$5,000 in the budget year is required to be completed and submitted to the City Treasurer at the same time as budget requests for the succeeding year are made. A proposed schedule projecting dates or purchase(s) must be included.

A Purchase Request Form must be submitted requesting authorization for purchases that exceed \$1,000. No purchase can be made without sufficient appropriated funds being available, unless for emergency purchases per Section II E.

If the category of expenditures is exceeded, the Department shall provide a report to the Finance Committee with recommendations for re-allocation for the total projected expenditure, if necessary. In no case shall personnel expenditures be used for any non-personnel expenditures and in no case shall non-personnel expenditures in the operating budget be allocated to personnel expenditures. Expenditures shall not be allocated between departments or between functions in the same department without Council authorization via a budget amendment resolution.

Section IV: Local Purchasing Sources

The City shall make efforts to solicit purchases from qualified vendors located in the City of Portage. Through the city's web site prospective bidders shall be invited to submit information regarding services and products offered. Prior to soliciting proposals Department Head shall identify potential local providers and insure they receive notification of the solicitation. Recognizing the City of Portage is custodian of taxpayer's funds and to fulfill its fiduciary responsibilities all purchases will attempt to maximize the best value of expenditures. No purchases shall be made from local suppliers solely for the reason they are located in the City of Portage. The cost, quality and the ability to satisfy the city's purchasing requirements shall be the primary determinates of purchasing decisions. Public Construction bids must be awarded to the lowest responsible bidder per Chap. 66.0901(1m), regardless of their geographical location.

Section V: Cooperative Purchasing

Whenever possible, using State of Wisconsin or the specifications of another jurisdiction is permitted.

The City Administrator shall have authority to join with other units of government or with agencies funded in whole or in part by the City, and with other purchasing associations

in cooperative purchasing plans when the best interest of the City would be served. Competitively bid cooperative purchasing contracts in which the City “piggybacks” are considered to have met competitive requirements, and no additional quotes are necessary. Additionally, if identical products can be obtained at a lower price than current cooperative purchasing contracts, no additional quotes are required.

Materials, supplies, machinery and equipment offered for sale by the federal or state government or by any municipality may be purchased without bids at prices to be agreed upon approval of the City Administrator and the respective department head for which the item is to be acquired. A report of such purchase shall be made to the Finance and Administration Committee.

Section VI: Sole Source Purchasing

Annual budgeted purchase of goods or services in the aggregate of \$15,000 or less may be made without competition when the following procedures are followed:

1. For sole source purchases over \$500 but less than \$5,000, the Department Head shall obtain verbal quotes, document quotes and the reason(s) for selecting the sole provider and enter into a written agreement with the provider. Copy of agreement shall be forwarded to the City Treasurer.
2. For sole source purchases over \$5,000 but less than \$15,000, written quotes shall be obtained by the Department Head and a recommended provider approved by the City Administrator. A written contract shall be executed by the City Administrator with a copy to the City Treasurer.
3. Any sole source purchase over \$15,000 shall follow the same process as (2) but must be approved by the Common Council upon recommendation by the Finance and Administrative Committee.
4. The use of the sole source exception to the competitive bidding process may only be used for a period not to exceed three (3) years.

Section VII: Service Contracts

Where continuity and familiarity are important factors, multiple year contracts are permitted. Every three years the contracts will be reviewed by the City Administrator, City Treasurer, the City Clerk and the appropriate Department Head for the purposes of making a recommendation to the Finance and Administration Committee as to whether the contracts shall be renewed or re-bid. Service contracts may be bid more frequently and/or terminated with cause.

Section VIII: Petty Cash/Cash Drawer Funds

Petty Cash/Cash Drawer Funds are established for the purpose of expediting miscellaneous purchases and payment of small bills which need not be processed through formal purchasing procedures as well as maintaining a set amount of funds on

hand available for customer cash transactions. These funds are not to be utilized for the purpose of avoiding or circumventing the city's centralized procurement policies.

The following departments shall have established a working Petty Cash Fund/Cash Drawer Fund in amounts as follows:

1.	Water Department	\$300.00
2.	Public Works	\$ 50.00
3.	Administrative Services	\$500.00
4.	Police Department	\$ 50.00
5.	Fire Department	\$200.00
6.	Sewer Department	\$ 50.00
7.	Library	\$ 67.00
8.	Park and Recreation	\$150.00
9.	Swimming Pool	\$230.00

Use of Petty Cash

All departments having Petty Cash shall be required to follow the policies and procedures outlined in this section.

Policies

- a) Items purchased with Petty Cash shall be those not ordinarily stocked or purchased by the City.
- b) No individual purchase shall exceed \$25.00.
- c) The following shall be prohibited from Petty Cash payment:
 - a. Items regularly purchased by the City of Portage
 - b. Payment for personal services
 - c. Loan to employees
 - d. Cashing of personal or payroll checks

Procedures

- a) Reimbursement from Petty Cash shall be subject to the filling out of a Petty Cash Voucher containing the following information:
 1. Amount of reimbursement requested
 - a) Purpose for which cash was utilized
 - b) Account to be charged
 - c) Department Head approval

All vouchers must be accompanied by a receipted bill bearing the name of the vendor and submitted to the Finance Director for processing.

Section IX: City Website

The City Website will be used for advertising all purchases for which solicitation is required.

Section X: Specifications

Specifications developed for bidding purposes shall contain sufficient information so as to promote competitive bidding, be capable of objective review and clearly indicate the City's requirements as appropriate which may include quantity, performance, brand, trade name, purpose, industry standards, composition or other criteria which will best meet the City of Portage requirements. Before bidding, specifications will be reviewed by a committee consisting of the head of the department in which the expenditures are to be made and the City Administrator.

Section XI: Bid Opening

All sealed bids shall be opened and recorded in the presence of not less than two City of Portage employees one of whom shall be the City Clerk or the Clerk's designee.

Section XII: Bid Award

Bid award will be to the lowest responsible bidder that meets specifications. The city reserves the right to reject any and all bids. No bids will be awarded to a vendor that has outstanding fines, fees, assessments or invoices due to the City of Portage.

If two or more qualified bids are for the same total amount or unit price, quality and service being equal, the contract shall be awarded to the local bidder. Where this is not practical, the contract will be awarded to one of the bidders by drawing lots in public.

Bids approvals shall be in accordance with the purchasing thresholds as defined in Section 1.

Section XIII. Conflict of Interest

Conflict of Interest in Contracting

An official or employees of a business in which an official or employee holds 10% or greater interest, may not enter into a contract with the City unless the official or employee has made a written disclosure of the nature and extent of such relationship or interest to the City Clerk and reports such interest to the Common Council. Further, pursuant to Section 946.13, Wis. Stats., an official or employee is prohibited from participating in the formation of a contract or contracts with the City of Portage involving the receipts or disbursements of more than that permitted by statutes in any given year.

Approved by Council: 05/28/15