

FINANCE

For the purposes of this Chapter, all departments and any programs, projects and expenditures, in which there are Town of Neenah or Town of Neenah Stormwater Utility District monies being utilized, shall adhere to the requirements hereunder.

14.01 DEFINITIONS

For the purpose of this Chapter, the following terms, phrases, words and their derivatives shall have the meaning given herein. When not consistent with the context, words used in the present tense include the future, words in the plural include the singular number, and words in the singular include the plural. The words "will" and "shall" are always mandatory and not merely directory.

- (1) "Agent" means "Purchasing Agent".
- (2) "Aggregate" means any single purchase consisting of multiple identical items.
- (3) "Business" means any corporation, partnership, individual, sole proprietorship, joint stock company, joint venture, or any other legal entity.
- (4) "Claim" means bills and vouchers submitted to the Town for payment for services or items received by the Town and/or Utility.
- (5) "Contract" means any type of Town agreement, regardless of what it may be called, for the purchase or disposal of supplies, services, or construction. It includes contracts of a fixed-price, cost, cost plus a fixed fee, or incentive type; contracts providing for the issuance of job or task orders; leases; letter contract; and purchase orders. It also includes supplemental agreements with respect to any of the above.
- (6) "Contractor" means any person or business having a contract with the governmental body.
- (7) "Cooperative Purchasing" means procurement conducted by, or on behalf of, more than one public procurement unit.
- (8) "Designee" means a duly authorized representative.
- (9) "Emergency" means a situation, or set of circumstances, where the continued performance of Town services, such as Fire protection, snowplowing, etc., or the immediate safety needs of Town employees, residents, or property owners, requires an immediate purchase.
- (10) "Employee" means any individual receiving compensation from the Town, whether elected or not.
- (11) "Local Bidder" means a business located within the Town of Neenah borders.

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- (12) "Procurement" means the buying, purchasing, renting, leasing, or otherwise obtaining of any supplies, services or construction. It also includes all functions that pertain to the obtaining of any supply, service, or construction, including description of requirements, selection and solicitation of sources, preparation and award of contract and all phases of contract administration.
- (13) "Program" means a budget program is a group of related activities for which the funding sources are substantially similar.
- (14) "Public Contract" means a contract for the construction, execution, repair, remodeling or improvement of any public work or building or for the furnishing of materials or supplies, with an estimated cost greater than \$5,000 (per Statute 60.47(1)(a))
- (15) "Purchasing Agent" means the Town Clerk or any other person expressly designated by the Town Board, hereinafter "Agent", for the Town and Utility. The Town Board may delegate authority to any person for the preparation of specifications and/or the obtaining of bids and quotations as may be required.
- (16) "Request for Proposals" means all documents, including those attached or incorporated by reference, utilized for soliciting proposals.
- (17) "Responsible Bidder" means, per Wis. Stats. Chapter 60.47(1)(b), a person who, in the judgment of the Town Board, is financially responsible and has the capacity and competence to faithfully and responsibly comply with the terms of the public contract.
- (18) "Responsive Bidder" means a person who has submitted a bid, which conforms in all material respects to the invitation for bids.
- (19) "Services" means the furnishing of labor, time or effort by a contractor, not involving the delivery of a specific end product other than reports which are merely incidental to the required performance. This term includes "professional services" but it does not include employment agreement or collective bargaining agreements.
- (20) "Specifications" means any description of the physical or functional characteristics, or of the nature of, a supply, service, or construction item. It may include a description of any requirement for inspection, testing, or preparing a supply, service, or construction item for delivery.
- (21) "Supplies" means all property, including but not limited to equipment, parts, materials, printing, insurance, and leases on real and personal property, excluding land or a permanent interest in land.
- (22) "Total Amount" means the total cost including all associated costs, such as delivery and employee costs.
- (23) "Town" means any department, commission, board, or committee of the Town of Neenah; a corporate politic of the State of Wisconsin.
- (24) "Using Department" means any department, commission, board, or committee of the Town or Utility District.

14.02 REGULATING COLLECTION OF FEES AND ASSETS

- (1) All fees, costs, fines, taxes, or other financial exchanges necessitated in the regular course of Town business shall be paid at the Municipal Building of the Town of Neenah, located at 1600 Breezewood Lane, Neenah, WI 54956.
- (2) All municipal/utility assets are for municipal/utility purposes only, with the exception of public access to the Town of Neenah Municipal Building located at 1600 Breezewood Lane, the Mahler Park Shelter, and all park facilities located on park properties, except as authorized by the Town Board.

14.03 PREPARATION OF TAX ROLL

- (1) **Tax Roll.** The Town Treasurer shall process the tax roll pursuant to Chapter 70.65, Wis. Stats.

14.04 CLAIMS AGAINST TOWN

- (1) **Claims to be Certified.** Prior to submission of any account, demand or claim to the Town Board for approval of payment, the Town Treasurer shall certify that the following conditions have been met:
 - (a) Funds are available pursuant to the budget.
 - (b) The item or service was duly authorized by the proper official or agency and has been received or rendered in accordance with the local procurement policy.
 - (c) The claim is accurate in amount, and a proper charge against the treasury.
- (2) **Town Board Approval of Claims.** No claim or demand against the Town, except as provided in Subsection (3) of this Section, shall be paid until it has been approved by the Town Board and an order drawn on the Town Treasury. Every claim shall be itemized and certified as provided in Subsection (1).

After auditing, the Town Board shall approve or disapprove each claim. The resolution approving of the claims shall show to whom, for what purpose and the amount of every claim approved and shall be on record with the Town Clerk.

- (3) **Special Processing of Claims.** When a verified emergency expenditure is required, which is declared by the provisions of chapter 3, the Town Treasurer has authorization to approve cash disbursements up to twenty-five thousand dollars (\$25,000.00). The Treasurer shall require written explanation/justification from the affected Town employees/agents. The Treasurer shall provide a list of such disbursements to the Town Board, along with the regular bills list, for the next regularly scheduled Town Board Meeting.

All tax refunds shall be special processed within fifteen (15) business days after the amount is collected by the Town of Neenah.

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- (4) **Method of Incurring Claims.** All actions which result in the appropriation of money or creating a charge against the Town, unless previously authorized by the Board through the budget process, including any claim that exceeds the budgeted amount shall require a three-fifths (3/5) vote of the entire membership of the Board, except in cases of emergency. Additionally, all actions which result in a cost to the Town shall be discussed with the initial action and need to meet the aforementioned requirements. The action taken must incorporate the necessary budget transfer/amendment in the resolution appropriating the funds/charge.

14.05 PREPARATION AND ADOPTION OF ANNUAL BUDGET

- (1) **Town Board to Prepare Budget.** On or before fourteen (14) days prior to the Annual Town Budget Hearing each year, the Town Board, with the assistance of the Town Clerk/Treasurer, shall prepare and submit a proposed budget presenting a financial plan for conducting the affairs of the Town for the ensuing year. Before preparing the proposed budget, the Board shall consult with the Town Clerk/Treasurer, committee heads, and applicable Town employees to determine the total amount to be recommended in the budget for each Town department or activity. The Town's Adopted Budget shall provide a complete financial plan for the ensuing fiscal year.

- (2) **Proposed Budget. The proposed budget shall include the following information:**

(a) **Expenditures:**

1. Actual year-to-date expenditures, per department/activity for the current year.
2. Actual expenditures for the previous year.
3. Year-end estimate for the current year expenditures.
4. Reasons for any significant increases or decreases, as compared with actual and estimated current year expenditures.
5. Any increase or decrease which significantly changes the services provided or level of services provided

(b) **Revenues:**

1. Actual year-to-date revenues, per fund for the current year.
2. Actual revenues for the previous year.
3. Year-end estimate for the current year revenues.
4. Reasons for any significant increases or decreases, as compared with actual and estimated current year expenditures.

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5. Any increase or decrease which significantly changes the services provided or level of services provided.
- (c) All existing indebtedness of the Town, including the amount of interest payable and principal to be redeemed on any outstanding general obligation bonds of the Town and any estimated deficiency in the sinking fund of any such bonds during the ensuing fiscal year.
- (d) An estimate of the amount of money to be raised from general property taxes which, with income from other sources, will be necessary to meet the proposed expenditures.
- (e) Department/Program statement of purpose and goals and objectives for the upcoming year.
- (f) Such other information as may be required by the Town Board and by State law.

The Town Board shall provide a reasonable number of copies of the budget thus prepared for distribution to citizens.

- (3) **Budget Adoption.** The Town Chairman or his designee, with the assistance of the Town Clerk / Treasurer, shall submit to the Town Board the annual budget and a draft of an appropriation resolution providing for the expenditures proposed for the ensuing fiscal year. Before adoption of a final appropriation resolution, the Town Board shall hold a public hearing on the budget and the proposed appropriation resolution as required by law pursuant to Wis. Stats. Chapter 65.90 and shall give published notice thereof as provided. The public hearing on the budget shall be satisfied by presentation at the Annual Town Budget Hearing. The budget shall be adopted by the Town Board via an appropriation resolution in summary based on the activities of the Town.
- (4) **Changes in Adopted Budget**
 - (a) The management of the town budget is the responsibility of the Town Clerk/Treasurer.
 - (b) The Town Board may at any time, by a three-fifths (3/5) vote of the entire membership, transfer any portion of an unencumbered balance of an appropriation to any other program/department or from one fund to another fund.
- (5) **Expenditures Limited by Annual Appropriation.** No money shall be drawn from the treasury of the Town nor shall any obligation for the expenditure of money be incurred, except in pursuance of the annual appropriation resolution and changes therein authorized in accordance with Subsection (4) of this Section. At the close of each fiscal year any unencumbered balance of an appropriation shall revert to the fund equity and shall be subject to re-appropriation.
- (6) **General Fund Equity**
 - (a) **Public Depository.** Pursuant to Wis. Stats. Chapter 60.46, the Town Board shall, from time to time, designate public depository for the Town of Neenah by

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resolution. The Treasurer and the treasurer's surety are not liable for loss of money deposited in the name of the Town in said public depository. Interest accruing from town money in the public depository shall be credited to the Town.

A designated operating fund may be established by the Town Board for the purpose of providing 'cash on hand' for the normal operation of the Town, in order to avoid short-term borrowing for such operations.

- (b) **Establish the amount of General Fund Equity.** If the Town Board establishes such a fund, the amount of the General Fund Equity shall be established at twenty percent (20%) of the subsequent year's general fund operating budget.

(7) **Capital Replacement Fund**

- (a) The Town of Neenah Board may maintain a capital replacement fund for the purposes of replacing costly equipment, vehicles, and any other items as approved by the Town Board.
- (b) Annually the Town Clerk/Treasurer may provide a replacement schedule, and the calculation for the monies needed to support the fund, as part of the budget process.

14.06 PROCUREMENT POLICY

- (1) **Purpose.** The purpose of this Section shall be to promote the underlying purposes and policies relating to local procurement.
 - (a) To simplify, clarify and modernize the system of procurement of contractual services, material, and equipment for the Town;
 - (b) To provide increased public confidence in the procedures used in public procurement;
 - (c) To ensure the fair and equitable treatment of all persons who deal with the procurement system of the Town;
 - (d) To provide increased economy in Town procurement activities and to maximize to the fullest extent practicable, the purchasing value of public funds of the Town;
 - (e) To foster effective broad-based competition within the free enterprise system;
 - (f) To provide safeguards for the maintenance of a procurement system of quality and integrity.
- (2) **Scope of Authority**
 - (a) The terms of this Section are applicable to all budgeted contractual services. The funding source is not relevant.

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- (b) Procurement of non-budgeted items shall be handled on a case-by-case basis by Town Board resolution in accordance with the provisions of this Section.
 - (c) The Agent is hereby granted the authority to make all budgeted purchases in accordance with the provisions of this Section. The Agent is authorized to solicit all bids, quotes or otherwise assure competitive purchasing.
 - (d) The Agent may enjoin with other entities in cooperative purchasing for the purpose of obtaining more economical rates and/or prices.
- (3) **Method of Purchases.** All budgeted purchases shall be made in accordance with state statute.
- (4) **Competitive Sealed Bids**
- (a) Where the estimated cost of the public contract and/or capital purchase exceeds the amount authorized by state statute, the Agent shall request competitive sealed bids in accordance with Wis. Stats. Chapter 60.47.
 - (b) Formal specifications for the requested item shall be prepared by the requesting department and shall include all contractual terms and conditions applicable to the procurement.
 - 1. Requirements may include such criteria to determine acceptability such as inspection, testing, workmanship, delivery, and suitability for a particular purpose.
 - 2. The criteria to be used in evaluation of the bid, shall be to the greatest extent possible, be objectively measurable, such as discounts, transportation costs, and total or life cycle costs.
 - 3. No criteria may be used in bid evaluations that are not set forth in the specifications or invitation to bid.
 - (c) Bids shall be addressed to the Agent or Agent's designee, submitted sealed, and shall be clearly marked as a bid on the envelope.
 - (d) The Agent or Agent's designee shall date and time stamp the sealed bid when received, and write their name or initials on the sealed bid envelope.
 - (e) Bids shall be opened in public at the time and place stated in the public notice. The opening shall not occur unless it is witnessed by at least one (1) person in the employ of the Town who is not opening the bids.
 - (f) A tabulation for all bids received shall be made and available for public inspection.
 - (g) No bid shall be accepted where the bidder is in default on the payment of taxes, licenses, or other monies due the Town.

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- (h) The award of the contract shall be made by the Agent if budgeted otherwise by the Town Board to the lowest cost responsible and responsive bidder whose bid meets the requirements and criteria set forth in the specifications and in the invitation for bids.
- (i) The Town Board or its Agent, as appropriate, retains the right to reject any or all bids in the best interest of the Town, provided such notice was given in the bid notice. In addition, the Town shall have the right to reject any or all bids, as long as rejecting any or all bids is in compliance with State Statutes.
- (j) Following award of the bid, the Town Chairperson or designee is authorized to sign the contractual document.

(5) Competitive Quotes; Negotiated Purchases

- (a) Where the estimated cost of a purchase is between \$5,000.00 and \$24,999.00, the Agent shall request competitive quotes in accordance with the requirements of Wis. Stats. Chapter 60.47.
- (b) The award of the contract shall be made by the Agent, if budgeted, otherwise by the Town Board to the most responsible offerer whose quote is determined to be the most advantageous to the Town taking into account the evaluation factors set forth in the request for quotes.
- (c) The Agent is authorized to reject or award any or all quotes.
- (d) All purchases made under this Subsection shall be based, wherever possible, on at least three (3) quotations. The quotations shall be attached to the claim and subject to public inspection.
- (e) No quote shall be accepted where the quoter is in default on the payment of taxes, licenses, or other monies due the Town.

(6) Outright Purchase

- (a) As long as the purchase is within its specific budgeted amount, purchases less than \$5,000.00 may be made by the requesting department subject to approval by the Agent.
- (b) No purchase shall be made where the supplier is in default on the payment of taxes, licenses, or other monies due the Town.

(7) General Provisions

- (a) The Agent is empowered to make such administrative requirements as may be necessary for the efficient enforcement of this Section.
- (b) The Agent has the authority to dismiss the low bid or quote based on prior bad history with the bidding/quoting entity, and the Agent has authority to dismiss for

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any lawful reason pursuant to Wis. Stats. Chapter 60.47(b) and Wisconsin Case Law.

- (c) Under emergency conditions, as defined, purchases may be made by authorized departmental personnel provided a report on such purchase is made to the Agent during the next normal working day and reported to the Town Board at their next regularly scheduled meeting.
 - (d) Quotes may be negotiated in the best interest of the Town.
 - (e) Except in cases of emergency, the Agent shall not issue any order for a purchase unless there are sufficient unencumbered funds, within the requesting departmental budget, to defray the amount of such order.
 - (f) The State of Wisconsin contract pricing shall be considered to have met the sealed bid and quote requirements, for the purposes of this Section.
 - (g) Any company authorized to work in the Town of Neenah shall be required to submit proof of insurance for workers compensation, general liability, and auto and/or contractors equipment to the Finance Department.
- (8) **Disposal of Town/Utility Owned Items**
- (a) If the fair-market value of an item is greater than the cost to solicit a sale of the item but under \$5,000.00, the Town employee responsible for the item, in coordination with the Town Clerk, is required to sell the item competitively.
 - (b) If the fair-market value of an item is greater than \$5,000.00, the Town Board of Supervisors shall determine the best method of sale.
 - (c) For the purposes of this section, trade-in allowance from a vendor is considered to meet the necessary disposal requirements.
 - (d) Town owned items shall never be given away, except by judgment of the Town Clerk, where the item would have otherwise been disposed of.
 - (e) The method and evaluation of determining the fair market value must be supplied with the sale monies received or with the disposal notice given to the Town Treasurer.
- (9) **Town Accounts/Credit Cards.** In order to purchase from certain vendors, the Town of Neenah has several credit accounts. The Town Treasurer is solely responsible for maintaining these accounts, and shall be responsible for filing and maintaining the necessary paperwork for the accounts. If the charge account has a credit card, the credit card shall be maintained by the Town Treasurer for safekeeping. Additionally, all receipts must be turned in to the Town Treasurer when the credit card is used, and no personal purchases may be made on the Town's charge card.

14.07 FIXED ASSET CAPITALIZATION POLICY

Currently, the Town of Neenah does not use a Fixed Asset Capitalization Process.

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14.08 ANNUAL AUDIT

- (1) The Town Board shall arrange for an audit of the town financial records at least once every year pursuant to Wis. Stats. Chapter 60.305(1)(a).
- (2) The audit shall be conducted by a certified public accountant, appointed by the Town Board and not otherwise employed by the town.

CHAPTER 14 APPENDIX I

EXHIBIT 1

LISTING OF USEFUL LIFE FOR FIXED ASSET PURPOSES

Not currently in use.

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