

MINUTES  
REGULAR MEETING  
BOARD OF FINANCE  
LISBON TOWN HALL  
WEDNESDAY, DECEMBER 19, 2018  
7:00 P.M.

1. Call to Order

The regular meeting of the Board of Finance was called to order by Michael Zelasky, Chairman, at 7:00 p.m.

MEMBERS PRESENT: Michael Zelasky, Frank Burzycki, Randy Baah, Miles LaFemina, Dennis Duplice, Philip Kiley (ALT)

MEMBERS ABSENT: Wayne Donaldson, Gail Gwiazdowski (ALT), Thomas Wakely (ALT)

OTHERS PRESENT: Thomas Sparkman, First Selectman  
Daniel Derjue, Lara Carroll, Gage Weber, LCS Student Ambassadors

Motion by F. Burzycki second by R. Baah to seat P. Kiley for Dennis Duplice.

VOTE: UNANIMOUS, MOTION CARRIED

2. Reading of Previous Minutes

Motion by W. Donaldson second by F. Burzycki to approve the previous minutes of 10/17/2018 as is.

VOTE: UNANIMOUS, MOTION CARRIED

Dennis Duplice entered at 7:01 P.M. Chairman Zelasky seated P. Kiley for W. Donaldson.

3. Correspondence

- a. Email, from O'Connor Davies dated 12/17/2018 re: draft of audit should be available first week in January
- b. Letter, State of Connecticut, Office of Policy and Management, dated 12/6/2018 re: New Annual Reporting Requirement (Form DE-2017)
- c. Copy, RFP published in November for Audit Proposals.
- d. Email, from King, King & Associates, dated 11/28/2018 re: Request for information regarding audit proposals
- e. Letter, from NECCoG Employee (Animal Services) dated 10/19/2018 re: complaint
- f. Copy, from O'Connor Davies, dated 11/29/2018 re: Extension Request for Filing
- g. Memo, re: Christmas Luncheon December 21, 2018
- h. Memo, from Chairman Zelasky to All Cost Centers re: Annual Report Narrative Request (due January 11, 2019)
- i. Memo, from Steve Brown, Lisbon Central School Service-Learning Coordinator re: 2018/2019 BoF Student Ambassadors

4. Bills and action thereon

- a. Bulletin, \$94.67, inv#00254842, dated 11/15/2018 re: Bid Proposals. Motion by F. Burzycki second by R. Baah to pay (51650). VOTE: UNANIMOUS, MOTION CARRIED
- a. O'Connor Davies, \$3000.00, inv #395167, 10/31/2018 re: 2018 Audit. Motion by F. Burzycki second R. Baah to pay (51630). VOTE: UNANIMOUS, MOTION CARRIED

The Board of Finance approved this document at its 19 December 2018 regular meeting. It becomes effective 31 March 2019.

## **Purchase Policy**

The Lisbon Board of Finance is responsible for setting policy for making purchases. These powers are described in Connecticut General Statutes (hereafter CGS) 7-148v Municipal Powers. This policy applies to all purchases in town. All cost centers, committees, commissions and boards including ones directed by the Boards of Selectmen and Education are responsible for following the policy.

The purpose of this policy is to obtain the best available price (value) for quality materials, goods and services and to reduce the chances of error and fraudulent activities.

### **I. Definitions**

#### **A. Purchasing Agent**

The Town Bookkeeper shall be the purchasing agent for general government and the Business Manager shall be the purchasing agent for the Board of Education and school.

#### **B. Cost Center**

A cost center is an entity that has a section in the annual budget. Examples include departments, boards, committees, commissions and town officials.

A chair of a board, committee or commission, department head or town official are considered the Cost Center Authority (CCA). A CCA or designee may make purchases.

#### **C. Separation of Duties**

At no time may the same person request, purchase, sign for and be the designee, or CCA. When there is only one person in that cost center responsible for requesting, purchasing, and seeking approval for goods or services, that individual, for General Government purchases, may ask the First Selectman or his designee to sign invoices, send purchase orders (POs) or approve payment. For Board of Education purchases, the individual may ask the Superintendent of Schools.

#### **D. Store Account**

This is a store or service outlet that has established credit with the Town of Lisbon and provides products or services to individuals representing a Town Cost Center. This store often does not require a Purchase Order, but only the signature of the Town staff member picking up approved items.

#### **E. Petty Cash**

A small amount of funds, up to \$100.00 at a given time to take care of small purchases, or emergency needs, when an instant payment is necessary, or financially and administratively efficient. Each purchase or reimbursement shall not exceed \$25.00.

Only the Bookkeeper or their temporary assign may dispense Petty Cash. Replenishment is done by an email and approved by the First Selectman, which is also done via email. Following approval, the Bookkeeper will write a check to "Cash" and the Treasurer will cash the check and receive currency. A simple ledger that shows replenishment and expenses will accompany a Petty Cash Box, and will include requesting Cost Center and individual, reason for the request, date and receipt for the item or vendor.

Sales tax may be expended from petty cash, as an exempt form is not worth the bother in these cases.

### **G. Request for Proposal (RFP)**

May be used for services above or below \$10,000. In both cases, the guidelines are the same, but RFP for services below \$10,000 does not require a newspaper posting. Also, a public opening of the RFP at a particular day and time is optional.

Note, the RFP is different from an Invitation to Bid. The Town expects vendors to propose creative, competitive solutions to the stated problem or need. The evaluation process and statute mandates only certain services may qualify for an RFP, otherwise the bid process should be used.

### **H. Estimate**

May vary as the job proceeds, but reasons for the change in price MUST be submitted to the CCA in order to amend or adapt the Purchase Order. Approval for the higher cost may be required from higher authority. That could include the Board of Selectman, Board of Finance, or the Board of Education especially if there is not enough money in the Account Line Number.

### **I. Store Credit/Charge Cards**

A card from stores such as Wal-Mart, Home Depot, Staples or Lowe's, which is carried to the store by the party purchasing goods from a Cost Center.

## **II. Purchases**

Note, exemptions to the below rules are located in section VI.

### **A. Less Than or Equal to \$25**

For small purchases or emergency needs, when an instant payment is necessary, or financially and administratively efficient, cash may be used from the petty cash fund.

### **B. Less Than \$500**

The end user, the CCA or their designee may deal directly with the vendor. The CCA will approve the intent to purchase and check the budget to be certain funds are available under the correct line item. Upon receipt of the products or services the end user will inform the CCA, sign and date the invoice or sales slip and send it to the Bookkeeper via email. Note: Be certain to write the name of the Cost Center and line item number on the invoice or sales slip so the Bookkeeper can match the purchase with others coming from the same vendor.

If the cost center wishes to use a purchase order (PO) then the steps in the \$500-\$2500 section below are followed.

### **C. Equal to or Greater Than \$500 But Less Than \$2500**

A Purchase Order (PO) is required. An email is sent to the bookkeeper requesting a purchase order and containing a complete description of the services or products including the cost center, line item number and a copy of the quote or estimate. A copy is kept with the Cost Center; a copy is not provided to the vendor. The email is not a legal or public document.

The Bookkeeper is the only person preparing the PO. The PO should be checked by the CCA to be certain all the quantities, model numbers, address, or service details are correct. The bookkeeper will then mail the PO directly to the vendor.

Note, if the CCA or the end user wishes to hand carry the PO to the vendor the Bookkeeper needs to be advised.

Upon receipt of the materials or services the CCA determines the order is complete and sends an email to the bookkeeper acknowledging this with a copy of any packing or delivery receipts. If the invoice was sent to the end user or CCA, that person should forward it to bookkeeper with the appropriate signature on it. The bookkeeper will stamp the invoice and fill out the appropriate information. It will then be scheduled for payment.

### **D. Equal to or Greater Than \$2500 But Less Than \$10,000**

These purchases require all the procedures detailed above, and in addition, the service or product requires three written quotes. The cost center shall select and approve of in writing the responsible bidder who provided a written quote with the best value when price, quality, delivery and experience are evaluated.

### **E. Equal to or Greater Than \$10,000**

With respect to any purchase, contract to purchase, or contract for services for which the amount equals or exceeds \$10,000.00 the Town, by and through its Board of Selectmen or Board of Education, shall invite sealed bids or proposals. Public notice of the invitation for sealed bids or proposals shall be published at least 10 days prior



to contract award in the manner required by law for the publishing of public notices. Such notice also shall be published in the form of an internet posting via the State of Connecticut Department of Administrative Services State Contracting Portal.

#### **F. Equal to or Greater Than \$20,000**

In addition to the bidding process outlined above, items must go through a series of steps that includes approval from various boards, (depending on the project or item) the Board of Selectman, Board of Finance, and Town Meeting.

### **III. Purchase or Contract to Purchase Award**

The controlling authority (Board of Selectmen or Board of Education) shall award the purchase or contract to purchase to the responsible bidder with the best value when price, quality, delivery and experience are evaluated. The Request for Proposals will require bidders to provide bidder qualifications. The quality determination shall be made at the sole discretion of the Board of Selectmen or Board of Education on the basis of the Town's past experience with the bidder, the suitability of the bidder's goods or services to the Town's needs, and other relevant factors the Board of Selectmen or Board of Education deem necessary. The Board of Selectmen or Board of Education shall not award a purchase or contract to purchase to any bidder that has not fully satisfied, in the view of the Board of Selectmen or the Board of Education, prior obligations to the Town. The controlling authority reserves the right in its discretion to reject all bids.

### **IV. Bid & Proposal Forms and Contract Documents**

For purchases by the Town and/or related to the Town's budget (excluding the Board of Education's budget), all invitations to bid, request for proposals, bid specifications, contract documents, and related documents, including but not limited to bond requirements and insurance requirements, shall be approved by the First Selectman. For purchases by the Board of Education and/or related to the Board of Education's budget, all invitations to bid, request for proposals, bid specifications, contract documents, and related documents, including insurance requirements shall be approved by the Board of Education or its designee.

### **V. Written Contract Required for Purchases Greater Than \$10,000.00**

For any purchase, contract to purchase, or contract for services for which the amount exceeds \$10,000.00, a written contract between the Town and successful bidder shall be drafted and executed prior to performance of any services or acceptance of any goods. For purchases made from the Town's budget (excluding the Board of Education's budget), under no circumstances shall a written contract exist unless and until such contract is signed by a designated Town official and the successful bidder. For purchases made from the Board of Education budget, under no circumstances shall a written contract exist unless and until such contract is signed by a designated Board of Education official and the successful bidder. No contract with a term in excess of 12 months shall be entered into without written approval from the controlling authority (Board of Selectmen or Board of Education).

## VI. Exemptions

The Board of Selectmen or Board of Education may exempt any purchase from the requirements of this Ordinance upon a determination that such exemption would be due to an emergency or for any other proper reason. Such determination must be made by a majority vote of the Board of Selectmen or Board of Education. The resolution giving rise to such vote must affirmatively state the reason for the exemption.

No affirmative vote by the Board of Selectmen or Board of Education to exempt a purchase hereunder shall be effective unless and until the Board of Finance, by a majority vote, approves the proposed exemption. In the case of emergencies when full boards cannot be timely convened, the First Selectman or the Chairman of the Board of Education with approval from the Chairman of the Board of Finance can approve a purchase exemption under this ordinance.

Nothing in this Ordinance shall prevent the Town from entering into joint purchase agreements with other Towns, the State of Connecticut or another organization.

The following purchases shall be exempt from the bid requirement provisions of this Ordinance without requiring a determination by the Board of Selectmen or Board of Education that such exemption is in the best interests of the Town:

- a) Purchases costing less than \$1,000.00 in the aggregate from any supplier during any single fiscal year;
- b) Services of attorneys, physicians, architects, or other professionals, when the extent and cost of such services cannot be readily determined;
- c) Expenditures arising from goods or services provided or offered to be provided by the State of Connecticut under the State of Connecticut Town Aid Program or other State program. Any State of Connecticut proposal accepted by the Town for the provision of goods or services under the State of Connecticut Town Aid Program or other State program may be made at applicable state-approved prices. The Board of Selectmen and Board of Education, when contracting with the State, shall follow any applicable State bid procedure;
- d) Any purchase made through a State of Connecticut contract, including contracts administered by the Department of Administrative Services;
- e) A purchase of any item or service for which there is only one existing supplier or a single source vendor;
- f) Emergency purchases under \$10,000.00 with the written approval of the controlling authority (Board of Selectmen or Board of Education); and

- g) Disaster-related purchases requested in advance in writing and approved in writing by the controlling authority (Board of Selectmen or Board of Education).

## **VII. Further Details**

### **A. Assets**

On single items, especially equipment, the Bookkeeper will log the purchase for asset control. The First Selectman's Assistant will record less expensive items; Items over \$5,000 will be listed as a Town asset. This usually does not include operating supplies.

### **B. Pricing unknown**

In some cases, the exact price of goods or services is unknown. For example, you may want to explore certain models at a showroom. The best practice is: once you select a model for purchase, you should make out an email request for the selected model with its exact price. However, when that is not feasible or timely, you may send an email request with the description of the product or service needed and ask for its approval saying: "Not to exceed \$xxx".

### **C. In Budget Money**

All purchases must have funds in the operating account line to cover such expenses for goods or services. Efforts to purchase above the budgeted line item require the CCA to consult with the First Selectman.

### **D. Credit Card Purchases (Store Cards):**

First obtain approval for the item(s) from the CCA. The same procedures and amount categories apply to Credit Card Purchases as to the other categories listed above. Differences appear below.

Obtain the Credit Card from the Bookkeeper for Town government or the Business Manager for the school. The Bookkeeper may ask you to sign a log for the loan of the card. Make the purchase at the store. Return with the goods and pass the signed invoice or sales slip along with the credit Card to the Bookkeeper. Payment will be made based on the billing policy of the store or credit card company from which the card was used.

### **E. Who May Make Purchases**

The BoF assumes the CCA will themselves or designate one or more of their staff make purchases necessary and within the Cost Center budget to permit the smooth operation of that office and complete their mission. Note, monitoring the people authorized to make purchases at a store or with a vendor is necessary. If an

authorized person leaves the Town's employment the store should be notified immediately to avoid misuse of that authorization.

#### **F. Limits to A Bookkeeper's Authority Concerning Contracts by Any Elected, Appointed, Salaried, Or Hourly Wage Employee.**

Neither the Bookkeeper, nor any CCA may enter into contracts without authorization by the overall governing authority for a Cost Center. In all instances a contract, with negotiated terms, should be approved by the governing authority and documented in its minutes.

#### **G. Questions of A Legal or Finance Nature**

The Board of Selectman and the Board of Finance pay for most Legal or Financial consultation. For that reason, if legal review is needed or suggested, a request should be made to the First Selectman to engage the Town's attorney. If a financial question arises, a request should be made to the Chairman of the Board of Finance to engage the Town's Auditor.

The exception is the First Selectman may speak with the Auditor, and the Chairman of the Board of Finance may speak with Town council without the others' approval.

#### **H. Purchase Specification Development**

This policy provides that specifications be developed for complex technical needs, services or equipment. The Cost Center authority should seek the consultation of the First Selectman when specifications for such a purchase of services or equipment are needed. This may require the services of the Town Engineers, Computer Tech Contractor, or other professional contractors as described and determined by the scope of the project.

#### **I. Employee or Commission/Board Reimbursement**

##### **1. When to Use**

It is the intent of this policy that reimbursements are kept to a minimum. However, this may be used if a situation requires payment in advance, or for travel that cannot be planned or easily estimated.

##### **2. Employee Request for Reimbursement**

A reimbursement or plans for travel, accommodations, or meetings must be authorized and signed for by the CCA. Funds must be in the operating account. Receipts and records of mileage must be provided.

##### **3. Reimbursement for Cost Center Head**



When the person requesting reimbursement is a CCA he/she needs authorization for reimbursement from the First Selectman.

#### **4. Reimbursement for the First Selectman or Chair of a Board, Committee, or Commission**

In this instance the other members of the panel will approve reimbursement by vote of majority at their regularly scheduled meeting. In this vote the First Selectman or Chair shall have no vote. In the event of a tie, the matter will be passed on with documentation to the Board of Finance for approval and a signature.

#### **5. Documentation for a reimbursement**

A travel/reimbursement form must accompany a request for reimbursement. The form will include the reason for the reimbursement, mileage, and copies of all receipts. This policy does not permit the reimbursement for Alcoholic Beverages.

### **J. YEAR END PURCHASES**

For year-end accounting purposes, all purchases should be made, goods or services received, invoice processed for payment and all paper work submitted to the Bookkeeper or Business Manager no later than the final Friday in June. The Bookkeeper will send around a reminder memo alerting CCA of this date in mid-May. Exceptions to this is for bills that we have received the material, but the invoice doesn't come until the next month (e.g., utility bills).

### **K. Responsibilities**

Throughout the budget year it is the responsibility of the CCA to make certain the Bookkeeper is provided with invoices, approval for payment or other confirmation necessary to get your center's invoices paid on time.

It is not the responsibility of the Bookkeeper to track down what office made a purchase, and if items or services have been received.

The First Selectman will be called upon by the Bookkeeper to address abuses of the policies and procedures listed herein. The Selectman will apply pressure to assure that these procedures are adhered to by all Cost Centers. The Board of Finance will have final authority to oversee compliance to this policy.

MINUTES  
REGULAR MEETING  
BOARD OF FINANCE  
WEDNESDAY, DECEMBER 19, 2018  
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5. Monthly Statements
  - a. Treasurer's Report – Review (as of October 31, 2018)
  - b. General Government – Review (July 2018 - November 2018)
  - c. Board of Education – Review (November 2018)
  - d. CNR Report – Review (Through October 31, 2018)
6. Reports
  - a. Chairman's Report – NONE
7. Public Comment – NONE
8. Old Business
  - a. Purchase Policy and Procedures – Vote to Adopt – Motion by D. Duplice second by M. LaFemina to accept as written with the approval date of December 19, 2018 and the effective date of March 30, 2019 (see attached). VOTE: UNANIMOUS, MOTION CARRIED
  - b. Auditor Contract – Letter read into correspondence
  - c. Pension Obligation – NONE
  - d. FY2019/2020 Budget Schedule – Review. Send to all cost centers.
  - e. Annual Report Narrative – Memo to all boards and cost centers read into correspondence
9. New Business
  - a. Incinerator – Motion by M. LaFemina second by D. Duplice to enter into Executive Session for 9.a. at 7:24 P.M. VOTE: UNANIMOUS, MOTION CARRIED  
Out of Executive Session at 7:47 P.M.
  - b. Selectmen's Requests
    - i. Additional Appropriation – Zoning Board of Appeals, \$1500.00 to LI# 51850 Supplies & Expenses. Motion to approve by M. LaFemina second by D. Duplice. VOTE: UNANIMOUS, MOTION CARRIED
    - ii. Additional Appropriation – Conservation Commission, \$1000.00 to LI# 52050 Supplies & Expenses. Motion to approve by D. Duplice second by M. LaFemina. VOTE: UNANIMOUS, MOTION CARRIED
10. Any other business which may properly come before the Board - NONE
11. Public Comment – NONE
12. Adjournment – Motion by W. Donaldson to adjourn the meeting at 7:48 P.M. VOTE: UNANIMOUS, MOTION CARRIED

  
Elaine Joseph, clerk

APPROVED: \_\_\_\_\_  
Michael Zelasky, Chairman

RECEIVED FOR RECORD AT LISBON  
CT ON 12/24/18 AT 11:45am  
ATTEST. LAURIE TIROCCHI, TOWN CLERK  
