



AIRPORT COMMISSION MEETING AGENDA

WEDNESDAY, JANUARY 10, 2024 AT 5:15 PM

1741 RIVER DRIVE, WATERTOWN, WI 53094

Join Zoom Meeting:
<https://us02web.zoom.us/j/4983065761?pwd=VGo4Wk1oMWZRREw1NWtsK1VyZitGdz09>
Meeting ID: 498 306 5761 **Passcode:** 36061741

- 1. CALL TO ORDER**
- 2. REVIEW AND APPROVE MEETING MINUTES**
 - [A.](#) Review and approve: meeting minutes from December 13, 2023
- 3. REVIEW AND APPROVE BILLS**
 - A. Review and approve: December 2023 bills
- 4. MANAGER REPORT**
 - [A.](#) Review: Monthly Use Report
 - B. Discuss: Upcoming Aviation Activities & EAA Updates
- 5. OLD BUSINESS**
 - A. Review and Discuss: UPS parking lot
 - B. Review and Discuss: Mayor working on re-writing a draft to change the Airport Commission members
- 6. NEW BUSINESS**
 - [A.](#) Review and Discuss: Purchasing Policy
 - [B.](#) Review and Discuss: APRA funds
- 7. ADJOURNMENT**

Persons requiring other reasonable accommodations for any of the above meetings, may contact the office of the City Clerk at mdunneisen@watertownwi.gov, phone 920-262-4006

A quorum of any City of Watertown Council, Committee, Board, Commission, or other body, may be present at this meeting for observing and gathering of information only

Watertown Airport Commission
 1741 River Drive, Watertown, WI 53094 (920) 261-4567
 Meeting Minutes from Wednesday, December 13th, 2023

Attendance:

Alderman Bob Wetzel	Present
Dr. Terry Turke	Present
Tom Finnel	Present
Sean Lapp	Present
Jeff Baum, Airport Manager	Absent
Tom Klug	Present
Jerry Hepp	Present

Others:

Krys Brown, Wisconsin Aviation – Present
 Jeremy Roberts – MSA Engineering – Present

1. Dr. Terry Turke called the meeting to order at 5:15 PM

2. A motion to approve the minutes from November 8th was made by Tom Klug and seconded by Tom Finnel. Motion carried.

3. A motion to approve the November bills in the amount of \$12,646.01 was made by Jerry Hepp and seconded by Tom Klug. Motion carried.

4. Managers' Report
 - Reviewed the Monthly Airport Use report.
 - Discussed the two hangar leases were approved by Public Works.
 - Discussed that WI Aviation hosted a customer appreciation party Saturday, December 9th. It was well attended by most of the airport commission members and many customers.
 - Discussed that there was a hit and run on Sunday that a car ran into the Electric Vault that houses all the electric for the airport and damaged beyond repair the Beacon tower.
 - Discussed that the FAA/ADO (Airport District Office) has opted out of the biweekly Zoom meetings.
 - Discussed the 6 sewer/water laterals that were installed left a temporary patch on the taxiway that they will asphalt in the spring once it warms up.

5. Old Business:
 - Boomer Street – Boomer Street opened the new road on December 1st. Jeremy Roberts of MSA Engineering gave an update on what would be completed in the spring to close out that project.
 - The UPS parking lot will be discussed with the City on how to move forward and what will be charged for their use of the parking lot on airport property.
 - Krys Brown is waiting for an answer on whether or not there could be additional credits on the storm water for the airport due to the City having a storm water credit program in place.

6. Adjustment:
 - There being no further discussion, a motion for adjournment was made. Tom Klug and seconded by Sean Lapp.

Respectfully submitted by: Krys Brown

Minutes are submitted unapproved

2022-2023 Services for Watertown RYV

Section 4, Item A.

	Instruction	Fuel/Oil	Restaurant	Maint.	Avionics	Aircraft Sales	Courtesy Car	Car Rental	Paint Shop	GPU	Lav/H2O	Hangar/Tiedown	PlugIn/Preheat	Deice/TKS	Aircraft Rental	Takeoff/Landing	NSR	Total & Landing	Board
Jan-22	70	67	13	23	0	2	2	0	0	0	0	151	20	0	115	251	47	704	415
Feb-22	72	128	18	10	1	3	0	0	0	0	0	143	0	0	117	210	40	576	341
Mar-22	89	100	15	26	0	0	2	1	0	0	0	188	0	0	156	293	55	842	478
Apr-22	66	77	23	16	0	1	5	0	0	0	0	158	0	0	122	246	42	776	400
May-22	71	135	42	17	0	2	3	0	0	0	0	199	0	0	143	329	61	907	502
Jun-22	96	117	36	18	0	1	8	0	0	1	0	258	0	0	186	427	105	1339	774
Jul-22	103	233	106	24	0	0	10	2	0	0	0	319	0	0	169	608	107	1530	1118
Aug-22	154	141	44	21	0	1	0	0	0	0	0	328	0	0	242	532	141	1494	898
Sep-22	162	138	55	22	0	0	0	0	0	0	0	330	0	0	260	511	101	1577	885
Oct-22	89	130	31	18	0	0	4	0	0	0	0	262	0	0	196	400	99	1133	690
Nov-22	84	90	35	29	0	0	5	0	0	0	0	227	0	0	176	353	89	958	644
Dec-22	81	104	21	12	0	0	3	0	0	0	0	171	0	0	124	231	42	749	418
YTD TOTALS	1137	1460	439	236	1	10	42	3	0	1	0	2734	20	0	2006	4391	929	12585	7563
Jan-23	66	125	16	12	0	0	3	0	0	0	0	146	0	0	111	211	41	764	386
Feb-23	110	195	36	17	0	0	4	1	0	0	0	224	0	0	176	354	88	974	608
Mar-23	109	193	20	23	0	0	5	0	0	0	0	225	0	0	176	329	72	1046	590
Apr-23	137	254	28	28	0	0	6	0	0	0	0	269	0	0	205	407	91	1262	724
May-23	170	269	63	23	0	1	6	1	0	0	0	347	0	0	264	549	116	1469	943
Jun-23	102	220	64	24	0	0	7	0	0	0	0	257	0	0	179	405	62	1201	709
Jul-23	137	340	56	16	0	0	6	5	0	0	0	397	0	0	215	653	112	1768	1206
Aug-23	186	270	76	39	0	1	12	1	0	0	1	362	0	0	282	589	115	1880	1049
Sep-23	133	216	92	18	0	0	5	1	0	0	1	284	0	0	210	481	94	1558	913
Oct-23	124	154	27	16	0	0	8	1	0	0	2	247	0	1	180	374	88	1429	649
Nov-23	171	199	54	30	0	0	6	0	0	0	2	279	0	0	230	483	128	1848	900
Dec-23	84	97	29	15	0	0	4	0	0	0	1	188	0	0	141	305	65	1119	562
YTD TOTALS	1529	2532	561	261	0	2	72	10	0	0	7	3225	0	1	2369	5140	1072	16318	9239

Instruction - Flight Instruction originating at FBO, i.e. Flight School and private instructors

PlugIn/Preheat

Fuel/Oil - any plane taking on fuel or oil

Deice/TKS - Line can check TKS balance on plane/planes requiring deicing

Restaurant - any plane coming in for food in the area

Aircraft Rental - Rentals originating at FBO and charters originating at FBO

GPU

Takeoff/Landing - ALL planes that take off or land (gives us a count of planes utilizing FBO)

Lav/H2O - N/A at RYV & UNU

NSR - No service required, used for flyovers, low approach and parking only.

Hangar/Tiedown - Hangar customers as well as overnite transients

Total T/O & Landing - each count as one

TITLE: **PURCHASING POLICY**
SOURCE: FINANCE COMMITTEE

EFFECTIVE DATE: JANUARY 1, 2024
REVISION DATE:

1.0 GENERAL POLICY AND OBJECTIVES

The purchase of goods and services is a central function of the City of Watertown. A fair, efficient, and accountable purchasing process is vital to providing quality services and maximizing the value obtained for taxpayer dollars. It is the responsibility of all City employees and elected officials to ensure that purchases are made with a commitment to ethical procurement practices and cost-effective purchasing. The procedures outlined in this policy are intended to provide an effective and efficient means of meeting these goals:

- To create a competitive, fair and ethical purchasing process that will ensure that the maximum value is obtained for every dollar expended
- To allow the City to obtain quality goods and services that will allow for the provision of programs in a timely and effective manner
- To establish a standardized purchasing process that will promote equity and efficiency
- To provide adequate budgetary and cost controls
- To conduct all purchasing in a manner which ensures equal opportunity and non-discrimination
- To support local businesses whenever possible
- To ensure that the entire purchasing process meets the highest ethical standard without conflict of interest or the appearance of impropriety

1.2 DEFINITIONS

Sole Source – An item shall be considered sole source if there is only one vendor that supplies the item and there is no equivalent substitute. Items that are made by one manufacturer but sold through multiple vendors are not to be considered sole source.

Informal Quote – An informal quote may be obtained verbally or by examining published prices. When soliciting an informal quote, the department should maintain documentation of when it was obtained (keep until the end of following calendar year).

Estimate – An approximate calculation or judgment of the cost of a product or service. Estimates are to be sought when a department submits a capital improvement project in the annual budget.

Request for Estimate (RFE) – A document produced by the City when seeking an estimate when deliverables are commodities for which there are clear specifications and when price will be the primary determining factor. Soliciting a price estimate is primarily for budget proposal creation or comparison purposes, not a formal bid for work.

Formal Quote – A formal quote must be supplied in writing. Formal quotes may be received by letter, fax, or email. Documentation of the quote should be maintained throughout the purchasing process and kept until the end of following calendar year.

Formal Bid – A formal bid process requires that vendors provide sealed bids prepared in response to specifications provided by the City. The bids should be opened publicly and the documentation should be maintained throughout the purchasing process.

Request for Proposal (RFP) – A document produced by the City when seeking a quote or bid when deliverables are not explicitly defined or when other selection criteria will be used in addition to price, such as the quality of the vendor (“qualified submitter”).

Surplus Property - City property may be declared surplus when it is no longer necessary, practical, or economical to be retained by the City.

1.3 ROLES

City Council – Approves the City budget, which allocates funds for all purchases. Council approval is required to approve any changes that alter fund balance, authorize borrowing, acquire property, or to approve new programs.

Mayor – Annually presents a budget proposal to the Council. The Mayor is authorized to sign contracts to purchase items or services on the City’s behalf provided they are included in the annual budget. No contract shall be executed on the part of the City until the Finance Director has reviewed it to ensure that sufficient funds are available to meet the expense and the City Attorney has reviewed as to approved form.

Finance Committee – Approves purchases of materials, equipment, and services \$50,000 or more when no other appropriate standing committee exists. The Finance Committee recommends budget adjustments that impact more than one department and budget amendments to the City Council.

Public Works Commission – According to state statute 62.15(1), “All public construction, the estimated cost of which exceeds \$25,000, shall be let by contract to the lowest responsible bidder; all other public construction shall be let as the council may direct.” The Public Works Commission oversees the process of approving the award of public construction contracts in accordance with this statute. Public construction includes capital improvements such as street reconstruction, stormwater facilities, and municipal buildings.

Finance Director – Oversees all City purchasing and monitors compliance with the City purchasing policy. Approves purchases of materials, equipment, and services in excess of \$10,000 and less than \$50,000. The Finance Director may approve budget adjustments contained within a department. Notification shall be provided to the Mayor and Finance Committee of all department budget adjustments. This position is authorized to sign contracts of up to \$25,000 on the City’s behalf. The Finance Director monitors expenditures in comparison to budgeted levels and provides periodic analysis of General Fund income statement to Finance Committee.

Department Heads – Department Heads or their designees are responsible for making necessary purchases for their departments within the confines of the City purchasing policy and approved budget. They are also responsible for receiving items and verifying that the terms of the purchase have been completed. Department Heads are authorized to make purchases up to \$10,000 if the item does not require a budget amendment.

City Employees – Make purchases and receive items with the approval of their Department Head. All employees who are authorized to make purchases are responsible for following the City’s purchasing policy and ensuring that purchases are made under the highest ethical standard.

2.0 COMPETITIVE PRICING

It is the policy of the City to obtain the highest quality goods and services at the lowest price by following a competitive purchasing process. It is City policy to obtain bids or proposals from at least three different vendors to ensure that competitive pricing is demonstrated. Exceptions to this requirement are allowed when it is in the best interest of the City. Exceptions include:

- Purchases for which there is only one or two suppliers [sole source products] (e.g., Warranty work requiring specific service provider, business trained and equipped for make/model of equipment needing repair)
- Emergency purchases and repairs covered by insurance proceeds
- Purchases under \$2,000 from a supplier that has offered the best price and quality for routine purchases based on periodic bids/proposals solicited by the City at least biennially. The Finance Director will take the lead in researching and soliciting proposals for items that are used by multiple departments.
- Purchases made from the state bid list or competitively solicited cooperative contracts (e.g., Sourcewell)
- Committee approval of using a single vendor where department has a long-standing history of using the product where switching products complicates operations or maintenance (e.g., fire hydrants, manhole castings)
- Certain professional services where the Mayor has waived the competitive bid requirement due to the quality of the firm and the service to be provided. Quotes from various vendors should be obtained periodically and should be one of the factors in selecting the vendor to perform the service.

2.1 TAXPAYER BENEFIT POLICY

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 Watertown bidder, the Department Head should award the contract to one of the tie bidders by coin toss open to public viewing.

2.2 REJECTION OF BIDS

Department Heads have the authority to reject bids, 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.

2.3 BIDDERS IN DEFAULT

A Department Head should not accept the bid of any supplier for goods or services more than \$50,000 who is in default or delinquent in the payment of taxes, licenses, forfeitures, or any other moneys whatsoever due the City. Such information should be obtained from the Finance Director.

2.4 VENDOR SELECTION CRITERIA

In addition to price, Department Heads may consider the following factors in selecting the acceptable bid, proposal, or quotation:

- 1 The ability, capacity, and skill of the vendor to perform the contract or provide the service required
- 2 Whether the vendor can perform the contract or provide the service promptly, or within the time specified, without delay or interference
- 3 The experience and efficiency of the vendor
- 4 The quality of performance of previous contracts or services by the vendor
- 5 The previous and existing compliance by the vendor with laws and ordinances relating to the contract or service
- 6 The sufficiency of the financial resources and ability of the vendor 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 vendor 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, proposal, or quotation

3.0 PURCHASING PROCESS REQUIREMENTS

The process for making purchases varies depending on the total cost of the purchase. The intentional staggering of purchases as well as dividing purchases and/or contracts to consciously evade this policy is strictly prohibited. Any employee found to be in violation of this policy will be subject to disciplinary action, up to and including termination of employment.

Purchase Cost	Authority Required	Purchasing Process	Competitive Requirement
Less than \$2,000	Department Head or Designee	Department Approval	Periodic Quotes or 2 Informal Quotes
Over \$2,000 and less than \$10,000	Department Head or Designee	Department Approval	3 Informal Quotes
Over \$10,000 and less than \$50,000	Finance Director	Purchase Requisition	3 Formal Quotes
Public Construction Over \$25,000	Public Works Commission	Memo	Formal Bid Process
\$50,000 and more	Finance Committee	Committee Presentation and Contract or Purchase Requisition	3 Formal Quotes or Formal Bid Process

3.1 PURCHASES LESS THAN \$2,000

Purchases under \$2,000 may be made with the approval of City Department Heads or their designees. Whenever possible, at least two informal (verbal) price quotations must be obtained prior to making the purchase. Quotations are not required for items purchased from a vendor that has offered the best price and quality on a category of items based on periodic bids/proposals solicited by the City at least biennially.

3.2 PURCHASES OF AT LEAST \$2,000 AND LESS THAN \$10,000

Purchases of at least \$1,000 and less than \$10,000 may be made with the approval of City Department Heads or their designees. Department staff are responsible for obtaining and documenting at least three informal (written) price quotations for the proposed purchase. This information is provided to the Department Head. The Department Head reviews the request to determine compliance with the budget and purchasing policy. If the selected vendor does not offer the lowest price, the request should include an explanation of why another vendor is recommended.

Capital Outlay: non-recurring purchases in General Fund [01] that aren't part of ongoing regular expenses (e.g. laptop, furnishings, facilities repair).

Equipment, supplies, or repairs more than \$5,000 per item/event will be considered a potential capital asset and should be budgeted as part of a departments' Capital Outlay budget (account ending in -60).

Capital Improvement: additions, improvements, modifications, or renovations of a property that increases its value or prolongs its useful life; buildings, equipment, machinery, vehicles.

Assets with an acquisition cost of at least \$20,000 and an expected useful life of at least five years are typically acquired through the Capital Borrow Fund [05].

3.3 PURCHASES OF AT LEAST \$10,000 AND UNDER \$50,000

Purchases of at least \$10,000 and less than \$50,000 require the prior approval of the Finance Director or his or her designee. The Finance Director may also require that the purchase go through a Request for Proposal (RFP) process or a formal bid process.

Department Heads or their designees are responsible for obtaining and documenting at least three formal (written) price quotations for the proposed purchase. This information is provided to the Finance Director along with a Purchase Requisition that should include the vendor selected, a description of the item, and the account number where it was budgeted. If the selected vendor does not offer the lowest price, the request should include an explanation of why another vendor was chosen.

The Finance Director reviews the request to determine compliance with the City's budget and purchasing policy. If approved, the Finance Department will issue a purchase order to the department. This purchase order should be used when making the purchase and the purchase order number must be entered into miViewPoint when it is submitted for payment.

3.4 PUBLIC CONSTRUCTION PROJECTS OF \$25,000 AND OVER

Public construction projects with an estimated cost between \$5,000 and \$25,000 require a class 1 notice prior to execution of the contract.

Public construction projects with an estimated cost greater than \$25,000 require approval of the Public Works Commission and must be let by contract to the lowest responsible bidder as required in Wisconsin State Statute 62.15(1). Also, per statute 62.15, the City Council may by a three-fourths vote provide by ordinance that any class of public construction project may be done directly by the City without submitting the project for bids.

The Mayor may waive the bid or RFP requirement for professional services if he or she determines that it is in the City's best interest. The justification for waiving the bid or RFP process should be presented to the Public Works Commission prior to their action to approve or deny the purchase.

Department Heads or their designees are responsible for conducting the public bid (prepare bid package, provide public notice and advertisement, conduct public bid opening, prepare bid tabulation report) or RFP process and providing the results to the Public Works Commission. If a contract is required, the department will work with the City Attorney to draft a contract for signature by the Mayor. The Finance Director will review the information to ensure compliance with the City's budget and purchasing policy.

3.5 PURCHASES OF \$50,000 AND OVER

All purchases of materials, equipment, and services more than \$50,000 require the approval of the Finance Committee prior to completing the purchase or signing the contract. The City requires an RFP or bid process for purchases of this size.

The Mayor may waive the RFP or bid requirement for professional services if he or she determines that it is in the City's best interest. The justification for waiving the bid or RFP process should be presented to the Finance Committee prior to their action to approve or deny the purchase.

Department Heads or their designees are responsible for conducting the public bid (prepare bid package, provide public notice and advertisement, conduct public bid opening, prepare bid tabulation report) or RFP process and providing the results to the appropriate standing committee. The department is required to prepare a memo listing the proposals received, which vendor is recommended and why, the budgeted amount for the item and any additional costs that may be incurred. If the selected vendor does not offer the lowest price, the request should include an explanation of why another vendor was chosen.

With a positive recommendation from the standing committee, the Department Head will place the item on an upcoming Finance Committee agenda and prepare a Purchase Requisition that includes the vendor selected, a description of the item, and the account number where it was budgeted. The Finance Director will review the information to ensure compliance with the City's budget and purchasing policy. If approved by the Finance Committee, the Finance Department will issue a purchase order to the department. This purchase order should be used when making the purchase and the purchase order number must be entered into miViewPoint when when it is submitted for payment.

If a contract is required, the department will work with the City Attorney to draft a contract (see Section 7) for signature by the Mayor.

4.0 PURCHASE CHARGES AND METHODS

4.1 SHIPPING AND FREIGHT CHARGES

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. Department Heads, 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. Unless otherwise stated in the "notice of call for bids", all formal bid proposals shall include freight and delivery charges, if any.

4.2 DISCOUNTS

It is the City's policy to take advantage of vendor discounts for prompt payment whenever possible to minimize the cost of a purchase. Department Heads are responsible for determining if discounts are available and for working with the Finance Department to obtain the lowest price. Some vendors offer discounts for prompt payment. When possible, Departments can aid the City by approving invoices and submitting them for payment expeditiously.

4.3 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 at the time of purchase. Completed tax exempt forms are available from the Finance Director. Invoices received by the City that include sales tax will be amended by reducing the amount of sales tax prior to payment. Any person seeking reimbursement for a City purchase that includes sales tax shall not be reimbursed for the sales tax portion of the purchase, absent extenuating circumstances approved in writing by the Mayor.

4.4 COLLECTIVE PURCHASING

Cooperative purchasing arrangements can result in significant savings by pooling purchasing power. It is the City's policy to utilize collective purchasing between City departments or with other units of government when savings can be obtained without sacrificing the quality or availability of the product or service.

The Finance Department shall have the authority to analyze the desirability of cooperative purchasing arrangements and make recommendations to the Administration. The City Council encourages cooperative purchasing but maintains the right to reject any such arrangements with other units of government.

4.4 RECEIVING AND INSPECTING ITEMS

Department Heads, or their designees, are responsible for receiving and inspecting all deliveries to their departments to ensure that items received conform to the specifications and quantities set forth in the purchase order. All deliveries should be thoroughly inspected to ensure that materials are received in satisfactory condition. If there are any discrepancies, the Department Head or designee should contact the vendor and resolve the issue before submitting the invoice for payment. When items are sent in multiple shipments, the department should clearly indicate which items have been received and accepted when approving the invoice for payment.

4.5 SUBMITTING INVOICES FOR PAYMENT

Once department staff have verified that the purchased items have been received in a satisfactory condition, the original invoice should be scanned and entered in miViewPoint (Caselle invoice entry portal) by Department staff for authorization routing to Department Heads and Finance Department staff before payments will be processed.

It is the City's policy not to pay from statements or copies of invoices. If it is not possible to obtain an original invoice, a faxed or emailed copy may be used if the Department Head verifies that the vendor

has not already been paid for the item. If it is not possible to obtain an invoice, a Check Request Form should be completed that includes vendor name and ID number, a description of the item purchased, and attach any supporting documentation. This form must be signed by the Department Head.

The Finance Department processes checks and issues payments to vendors. The cut-off dates for payment submission will be provided by the Finance Department (typically each Friday) for checks to be processed the following week (typically each Tuesday). At each first regular City Council meeting of the month, a list of all payments made in the prior month will be provided.

All final retainage payments for construction projects will be held until they have been presented to the City Council for approval.

If a Council Member has concerns regarding payments to a particular vendor or class of vendors, he or she may request to review pending payments. Information would then be sent to all Council Members for a specified period to provide comments. If no comments are received during this period, the item may be released for payment. However, if an objection is raised during the comment period, the payment in question shall be held until the next regular City Council meeting.

4.6 CREDIT CARD PURCHASES

The City recognizes the use of credit cards to be an appropriate and useful means of making payment for a variety of types of purchases (travel expenses, online purchases, time-sensitive). Credit cards may be issued to City employees at the request of a Department Head through the Finance Director. Approved employees will be required to read, acknowledge, and sign a Credit Card Use Agreement.

Purchases made with credit cards must follow the normal competitive pricing guidelines and require the same approval process. Purchases made on a credit card are still eligible for sales tax exemption (purchaser is responsible for providing tax exempt certificate at the time the charge is incurred).

Acceptable credit card uses:

1. Payment for goods and services at businesses where invoicing is not available
2. Online purchases
3. Payment of purchases where there is no additional fee to pay with a credit card
4. Lodging (*registering in advance and paying upon departure*)
5. Travel: flights, car rentals, taxis, ride-share services, parking
6. Registration fees for conferences and training seminars
7. Meal costs:
 - Costs must follow the standards established in the City's Travel Guidelines in the Employee Handbook
 - Group meetings where the City is paying must receive prior approval of the Mayor
 - Tips up to the limit set by the travel policy in the employee handbook. A tip that is in excess of the allowed amount should be left by the employee in cash and will not be recoverable from the City as a valid expense.
 - Employees do not need to obtain tax exemption for individual meals or groups up to three people. Groups over three should try to obtain the tax-exempt status.

Unacceptable credit card uses:

1. Tips except as part of an approved meal cost
2. Personal purchases of any kind
3. Cash advances
4. Purchases of gift cards

If an unauthorized charge occurs, if a meal purchase exceeds an amount allowed by the City's Travel Guidelines, or if a good faith attempt to receive a sales tax exemption is not made, the employee must immediately reimburse the difference beyond the allowable amount to the Finance Director.

After making a credit card purchase, receipts or other supporting documentation should be maintained by the cardholder. When the monthly credit card statement is issued, Finance Department staff will distribute the statement to all Department Heads and their designees. The cardholder is responsible to review charges and assemble receipts in chronological order as listed on the statement. The cardholder is to submit a signed attestation of the credit card charges and associated receipts to his or her Department Head. The Department Head or designee will review and assign account numbers, the Department Head will sign the statement and then route all original documentation to the Finance Department in a timely manner. (A spreadsheet template is available to aid in the data entry of receipts.) The Finance Director will review the statements of all Department Heads. The Finance Department will complete data entry authorizations and issue an ACH payment to the credit card company prior to the statement due date. It is City practice to avoid paying any credit card finance charges.

4.7 INTERNET PURCHASES

City employees may use the Internet to make purchases if they follow normal purchasing guidelines and the same approval process. Internet purchases are not permissible in situations where a sealed bid is required. Employees should only make purchases from legitimate vendors (compliant with US regulations with good reputation in the market) and through a secure connection. Any concerns regarding the security of the information should be directed to the Information Technology Department. The IT staff will have the final authority to determine if an Internet transaction provides sufficient security.

4.8 PETTY CASH ACCOUNT

Various departments maintain petty cash accounts to expedite miscellaneous purchases and the payments of small expenses when it is not practical to follow the City's normal payment procedures (e.g. reimbursement of work permit fee). The petty cash fund should not be used to circumvent the normal purchasing process or to pay for personal services. Each department overseeing a petty cash fund should seek reimbursement of transactions through miViewPoint no less than twice a year, and always by December 10 to assign purchases to the current fiscal year. A report of the petty cash balance as of January 1 should be emailed to the Finance Director by January 10.

4.9 EMPLOYEE REIMBURSEMENTS

Generally, employees should avoid making City purchases with their own funds. If the need arises to purchase an item for the City with personal funds, the employee must submit the receipt and a Check Request Form to the Department Head no more than 28 days after purchase. This form should include a

detailed listing of the items purchased and must be signed by the employee to be reimbursed and his or her Department Head. It is the responsibility of the employee making the purchase to ensure that any available discounts are applied, and that sales tax is not included. Once entered into miViewPoint and approved, a check will be issued for the reimbursement in the next check run.

4.10 EQUAL OPPORTUNITY/NON-DISCRIMINATION

The City of Watertown endorses and actively supports equal opportunity and a nondiscrimination policy. Therefore, it shall be a City requirement that all potential bidders be provided with equal opportunity to submit bids and to compete on an equal basis for City business.

All contracts to which the City of Watertown is a party, shall contain a nondiscrimination in employment clause which provides:

“The vendor agrees that in performing under this agreement with the contracting municipality, he/she shall not discriminate against any worker, employee or applicant, or any member of the public because of race, creed, color, national origin, handicap, or sex. The vendor further agrees that this clause will be incorporated in all contracts entered with suppliers of materials or services who may perform any such labor or services in connection with this contract.”

6.0 EXCEPTIONS TO ROUTINE PURCHASING PROCEDURES

6.1 EMERGENCY PURCHASES

Emergency purchasing procedures should be used only when normal purchasing channels are not available. Emergency purchases may be made:

- When there is need for immediate delivery of items
- To prevent delays in work or construction schedules
- When there is an immediate threat to public health or safety
- To meet emergencies rising from unforeseen causes

For emergency purchases, the Department Head should take the following steps:

- If an emergency purchase is needed, alert the Mayor and/or Finance Director and obtain approval prior to making the purchase.
- A purchase requisition form and a written explanation of the emergency must be prepared and forwarded to the Finance Director and Mayor within two working days after making the purchase.

6.2 BLANKET PURCHASE ORDERS

Blanket purchase orders are used for those vendors from whom many repetitive purchases are made as supplies are required. Rather than issue a purchase order form for each purchase, one order is issued for a specified calendar year to cover all purchases made during that period. Blanket purchase orders can be renewed each year if continuing purchasing is warranted.

When requesting the issuance of a blanket purchase order, the Department Head should obtain price quotations on representative items from at least three vendors. The Department Head should then prepare a Purchase Requisition for the Finance Director that includes:

- The vendor
- The anticipated materials, supplies, equipment to be purchased
- The anticipated number of purchases to be made under the blanket order
- The total amount budgeted for such purchases.

The Finance Department will review the request and check the budget to verify that adequate funds are budgeted and available. Based on this information, the Finance Department shall indicate approval or denial of the request. If the request is approved, the Finance Department will issue a purchase order number that should be used when ordering any items under the blanket purchase order. The Department should include this number when the invoices are submitted for payment. Before a new blanket purchase order is issued, the Department Head should obtain competitive price quotations from alternate vendors.

7.0 PROCEDURES FOR CONTRACTED SERVICES

7.1 CONTRACTS DEFINED

For purposes of this policy, “contracts” are defined as any document meeting any of the following statements:

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 (other than office equipment leases).
6. Memorandums of understanding (other than those with no cost to the City).

7.2 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.

7.3 CONTRACT REVIEW

The contract routing form must be used to ensure proper review before any contract is signed. No contract shall be executed on the part of the City until the Finance Director has reviewed to ensure that sufficient funds are available to meet the expense and the City Attorney has reviewed as to approved form. Department Heads should submit contracts to the Finance Director as soon as possible for timely review, ideally at least two business weeks 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.

7.4 SIGNATORIES

The signatories for the City are the Mayor and Finance Director/Treasurer [for purchases up to \$25,000], each of whom are authorized to execute the contracts without additional Council action provided the purchase is included in the annual budget and meets the guidelines of the purchasing policy. Department Heads do not have legal standing to enter contracts on behalf of the City unless expressly authorized to do so by the City Council.

8.0 PROCUREMENT FOR STATE AND FEDERAL AWARDS

8.1 RESPONSIBILITY

City of Watertown Department Heads are responsible for determining whether a purchase is allowable under the terms of any state and federal program from which their department is receiving support. The process used for procurement under terms of any state and federal program should follow the guidance of the program.

8.2 COST ALLOWABILITY FOR CHARGES AGAINST FEDERAL AND STATE AWARDS

General. All costs incurred by City of Watertown under a grant award from a U.S. federal or state agency shall be subject to the cost allowability standards articulated in OMB's *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*.

Procedure. Prior to entry into the general ledger, the department head shall determine if the nature of the expense and determine if the expense:

Allowability – meets the general requirements established in 2 CFR § 200.403(a) through §200.403(g). City of Watertown will maintain a system of internal controls over Federal expenditures to provide reasonable assurance that Federal awards are expended only for allowable activities and that the costs of goods and services charged to Federal awards are allowable and in accordance with the above referenced cost principles.

Those controls will meet the following general criteria:

- Be necessary and reasonable for the performance of the Federal award and be allocable thereto under these principles.
- Conform to any limitations or exclusions set forth in these principles or in the Federal award as to types or amount of cost items.
- Be consistent with policies and procedures that apply uniformly to both federally-financed and other activities of the city.
- Be accorded consistent treatment.
- Be determined in accordance with generally accepted accounting principles.
- Not be included as a cost or used to meet cost sharing or matching requirements of any other federally-financed program in either the current or a prior period.
- Be adequately documented.

Selected Items of Costs – is consistent with one of the allowability factors for selected items of costs articulated in 2 CFR § 200.420 through § 200.475.

Grant Budget – is consistent with the allowable expenses provided for in the grant agreement.

This procedure will be employed regardless of whether City of Watertown classifies the expense as a direct or indirect (F&A) cost. If deemed allowable, the department head shall code the expense in accordance with the account code established for the grant and submit the amount in the general ledger. If the department head cannot establish the allowability of an expense, consultation with the Finance Director shall be required to make the determination before any cost is entered in the general ledger. If unable to be resolved by the Finance Director, City of Watertown shall seek clarification with the Federal awarding agency or pass-through agency.

If deemed ineligible for reimbursement under the Federal award, the department head will record the item to an appropriate alternative within department expense accounts.

8.3 METHODS OF PROCUREMENT

The City must follow the procurement procedures identified in 2 CFR § 200.318 through §200.327. The City must award contracts only to responsible contractors possessing the ability to perform successfully under the terms and conditions of a proposed procurement. Consideration will be given to such matters as contractor integrity, compliance with public policy, record of past performance, and financial and technical resources. The City must maintain records sufficient to detail the history of procurement (rationale for method of procurement, selection of contract type, contractor selection or rejection, basis for the contract price).

1. **Micro-purchases up to \$50,000** (federal threshold established in the Federal Acquisition Regulations). The acquisition of supplies or services, the aggregate dollar amount not exceeding the micro-purchase threshold. Micro-purchases may be awarded without soliciting competitive price or rate quotations if the City considers the price to be reasonable based on research, experience, or purchase history. To the extent practicable, the City will distribute micro-purchases equitably among qualified vendors.
2. **Small Purchases for items between \$50,001 and \$250,000.** Small purchase procedures are those relatively simple and informal procurement methods for securing services, supplies, or other property that do not cost more than the Simplified Acquisition Threshold (less than \$250,000). If small purchase procedures are used, price or rate quotations shall be obtained from a minimum of three qualified sources. Efforts should be made to obtain at least one bid from a small or minority-owned business, if available.
3. **Formal Procurement for purchases greater than \$250,000.** Formal procurement methods are required when the value of the procurement for property or services exceeds the Simplified Acquisition Threshold. Formal procurement methods require following documented procedures and public advertising. One of the following methods can be used:
 - a. **Sealed bids.** A procurement method in which bids are publicly solicited and a firm fixed-price contract (lump sum or unit price) is awarded to the responsible bidder whose bid,

conforming with all the material terms and conditions of the invitation for bids, is the lowest in price.

- b. Proposals. A procurement method in which either a fixed price or cost-reimbursement type contract is awarded. Proposals are generally used when conditions are not appropriate for the use of sealed bids.
4. **Noncompetitive procurement.** Also known as sole-source procurement, this may be appropriate only when specific criteria are met. Examples include when an item is available only from one source, when a public emergency does not allow for the time of the competitive proposal process, when the federal awarding agency authorizes, or after a number of attempts at a competitive process, the competition is determined inadequate.

9.0 MISCELLANEOUS CONSIDERATIONS

9.1 GRANTS AS A REVENUE SOURCE

All potential grants and other aid shall be carefully examined for matching requirements and restrictive covenants, to ensure that our participation in such grants will be beneficial and cost-effective. Grant requests shall be reviewed by the Finance Director/Treasurer prior to the application being submitted. This review is to ensure that the grants do not create an obligation for unfunded expenditures by the City relating to the grant's purpose and to provide an overall budgetary review of the grant proposal.

Grants requiring City matching funds are to be requested from the Finance Committee prior to submission of the grant application. The Finance Committee shall approve all grant awards prior to the final acceptance of a grant.

It is the responsibility of the department to maintain application and award documents relating to each grant. A copy of the award document should be emailed to the Finance Director for the annual audit preparation.

9.2 ADDITION OF NEW VENDOR

New vendors must be approved by the Finance Department staff and created in the accounting software prior to a purchase being initiated.

9.3 INSURANCE CLAIM PROCEEDS

Purchases resulting from an accident or loss will be expended from the appropriate expenditure account. Settlement proceeds will be posted to the same expenditure account.

9.4 ETHICS

Elected officials and employees of the City shall comply with all federal, state and City ethics laws regarding conflict of interest as well as ethics regarding all purchase decisions. 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 procedures set forth in the Purchasing Policy.

Neither the City's name or any employee's name or position is to be used to endorse or support a product or vendor unless specifically authorized by the Common Council.

9.5 SURPLUS 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. Items may be sold prior to end of their useful life if it is determined that it is in the City's best interest to take advantage of the current salvage value of the item. If an item is sold or donated, City employees should not receive preferential access compared to the public.

Once a Department Head has identified surplus property, he or she should determine if the item is of use to another department. If the surplus property has no further economic use to the City, the Department Head or designee shall determine the best method for sale or disposal of surplus property for which the original purchase price was under \$10,000. Such methods shall include internet postings on the Wisconsin Surplus Auction site (through Police Department) or public bid. For items with an original purchase price of \$10,001 to \$50,000, Mayor approval is required prior to disposal. The Finance Committee shall approve the method of sale or disposal of surplus property for which the original purchase price was over \$50,000. Disposal of all items with an original cost of over \$5,000 must be reported to the Finance Director for removal from insurance and the capital asset inventory.

Police unclaimed property: Watertown Police Department shall conform to Wis. Stat. secs. 66.0139 and 170.105.

Real Estate. Whenever City owned property is proposed for sale, there should be an internal review conducted by the Mayor to determine whether the City may need the parcel in the future and for what purpose. The Mayor will then prepare a report for Plan Commission for review. The Plan Commission will consider the land sale request, along with the Mayor'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 to the City Council for final action. The Mayor is responsible for carrying out the Council's actions regarding the disposition of the property. Property may be disposed of by public sale or auction, sealed bids, or by a mutual sales agreement.

APRA Funds/2021 – Non-primary commercial service and general aviation airports have been allocated funds based on the percentage of the aggregate published eligible development costs as an economic relief to prevent, prepare for, and respond to the COVID-19 pandemic, including relief from rent and minimum annual guarantees (MAG) for eligible concessions.

The money must be used by the end of 2024.

The Watertown Airport has been allocated \$32,000.00