CITY OF NEW BERLIN
FINANCE COMMITTEE MEETING
Thursday, May 12, 2022
6:00 PM
Mayor's Conference Room

PUBLISHED 5/5/2022

AGENDA

CALL MEETING TO ORDER

ROLL CALL; DECLARATION OF QUORUM; PUBLIC NOTICE

APPROVAL OF MINUTES

April 14th, 2022 Minutes

NEW BUSINESS

Three Year Review of General Financial Policies 8 -14

- Discussion and Possible Vote

ADJOURN

PLEASE NOTE:

- ✓ It is possible that action will be taken on any of the items on the agenda and that the agenda may be discussed in any order. It is also possible that members of and possible a quorum of other governmental bodies of the municipality may be in attendance at the above-stated meeting to gather information; no action will be taken by any governmental body at the above-stated meeting other than the governmental body specifically referred to above in this notice.
- ✓ Also, upon reasonable notice, efforts will be made to accommodate the needs of disabled individuals through appropriate aids and services. For additional information or to request this service, contact City Clerk Rubina R. Medina (262) 786-8610.

CITY OF NEW BERLIN
FINANCE COMMITTEE - MINUTES
Thursday, April 14, 2022

Regular Meeting	**Mayor's Conference Room**	**6:00 PM**

PUBLISHED 5/4/2022

Please note: Minutes are unofficial until approved by the Finance Committee at the next regularly scheduled meeting.

CALL MEETING TO ORDER

The meeting was called to order by Chairperson Garrigues at 6:00 PM.

ROLL CALL; DECLARATION OF QUORUM; PUBLIC NOTICE

Present: Alderman Maxey, Alderman Harenda, Alderman Garrigues, Commissioner Stair, Mayor Dave Ament and Finance Director Ralph Chipman.
All present.

APPROVAL OF MINUTES

ITEM: August 12, 2021

MOTION: To approve the August 12th, 2021 Minutes

VOTE: Motion by: Mayor Dave Ament
Second by: Alderman Maxey
MOTION PASSED 5-0

NEW BUSINESS

ITEM: Elect Finance Committee Chairperson

MOTION: Motion to nominate Alderman Garrigues as Committee Chairperson.

VOTE: Motion by: Alderman Harenda
Seconded by: Mayor Ament

MOTION: Motion to close nominations

VOTE: Motion by: Mayor Ament
Seconded by: Commissioner Stair
MOTION PASSED 5-0

ITEM: Elect Alderman Garrigues as Committee Chairperson.

MOTION: Motion to approve Alderman Garrigues as Committee Chairperson.

VOTE: Motion by: Mayor Ament

Seconded by: Alderman Maxey
MOTION PASSED 5-0

ITEM: Elect Finance Committee Secretary

MOTION: Motion to Nominate Commissioner Stair as Committee Secretary.

VOTE: Motion by: Mayor Ament
Seconded by: Alderman Maxey

MOTION: Motion to Close Nominations

VOTE: Motion by: Alderman Maxey
Seconded by: Alderman Harenda
MOTION PASSED 5-0

ITEM: Elect Finance Committee Secretary

MOTION: Motion to elect Commissioner Stair as Committee Secretary

VOTE: Motion by: Mayor Ament
Seconded by: Alderman Maxey
MOTION PASSED 5-0

ITEM: Discussion, Review, Possible Action – Three Year Review of General Financial Policies 1-14

MOTION: Motion to approve General Financial Policies 1-7 as amended.

VOTE: Motion by: Mayor Ament
Second by: Alderman Harenda
MOTION PASSED 5-0

ADJOURN

MOTION: **Motion to adjourn 6:43pm**

VOTE: Motion by: Alderman Garrigues
Second by: Alderman Maxey
MOTION PASSED 5-0

Respectfully Submitted,

Commissioner Ronald Stair,
Secretary

May 12, 2022

TO: Common Council
Mayor Ament

FROM: Finance Committee

RE: Items from the Finance Committee Meeting from May 12, 2022 requiring Common Council action.

- **Three Year review of General Financial Policies 8-14**

Committee Motion:

This item was considered at the Finance Committee meeting on May 12, 2022. The Finance committee reviewed policies 8, 9, 11-14 and made some minor adjustments to Policy 8) Financial Reporting Policy then approved the policies. It was recommended to the Common Council on a vote of 5-0. Policy 10 will be reviewed at the next Finance Committee meeting. I do hereby move that the Council approve Financial Policies 8, 9, 11-14 as presented.

City of New Berlin General Financial Policy	TITLE: **Financial Reporting Policy**
AUTHORIZATION DATE: 10/13/15	LAST UPDATE: 10/13/15
POLICY SOURCE: Finance Committee	SCOPE: City-wide
Reviewed by City Attorney n/a	Board/Commission Approval: Finance Committee: 7/15/15, 12/13/18, 5/12/22 Common Council: 10/13/15, 1/8/19

General

The accounting policies of the City of New Berlin, Wisconsin will conform to accounting principles generally accepted in the United States of America as applicable to governmental units. The accepted standard-setting body for establishing governmental accounting and financial reporting principles is the Governmental Accounting Standards Board (GASB).

Policy

A. Reporting Entity

The reporting entity for the City consists of the primary government and its component units. Component units are legally separate organizations for which the primary government is financially accountable or other organizations for which the nature and significance of their relationship with the primary government are such that their exclusion would cause the reporting entity's financial statements to be misleading. The primary government is financially accountable if (1) it appoints a voting majority of the organization's governing body and it is able to impose its will on that organization, (2) it appoints a voting majority of the organization's governing body and there is a potential for the organization to provide specific financial benefits to, or impose specific financial burdens on, the primary government, (3) the organization is fiscally dependent on and there is a potential for the organization to provide specific financial benefits to, or impose specific financial burdens on, the primary government. Certain legally separate, tax exempt organizations should also be reported as a component unit if all of the following criteria are met: (1) the economic resources received or held by the separate organization are entirely or almost entirely for the direct benefit of the primary government, its component units, or its constituents; (2) the primary government or its component units , is entitled to, or has the ability to access, a majority of the economic resources received or held by the separate organization; and (3) the economic resources received or held by an individual organization that the primary government, or its component units, is entitled to, or has the ability to otherwise access, are significant to that primary government.

Component units are reported using one of two methods, discrete presentation or blending. Generally, component units should be discretely presented in a separate column in the financial statements. A component unit should be reported as part of the primary government using the blending method if it meets any one of the following criteria: (1) the primary government and the component unit have substantially the same governing body and a financial benefit or burden relationship exits, (2) the primary government and the component unit have substantively the same governing body and management of the primary government has operational responsibility for the component unit, (3) the component unit serves or benefits, exclusively or almost exclusively , the primary government rather than its citizens, or (4) the total debt of the component unit will be paid entirely or almost entirely from resources of the primary government.

B. GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS

Government-Wide Financial Statements

The statement of net position and statement of activities display information about the reporting government as a whole. They include all funds of the reporting entity except for fiduciary funds. The statements distinguish between governmental and business-type activities. Governmental activities generally are financed through taxes, intergovernmental revenues, and other non-exchange revenues. Business-type activities are financed in whole or in part by fees charged to external parties for goods or services. Likewise, the primary government is reported separately from a legally separate component unit for which the primary government is financially accountable.

The statement of activities demonstrates the degree to which the direct expenses of a given function or segment is offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. The city does not allocate indirect expenses to functions in the statement of activities. Program revenues include 1) charges to customers or applicants who purchase, use or directly benefit from goods, services, or privileges provided by a given function or segment, and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items not included among program revenues are reported as general revenues. Internally dedicated resources are reported as general revenues rather than as program revenues.

Fund Financial Statements

Financial statements of the city are organized into funds each of which is considered to be a separate accounting entity. Each fund is accounted for by providing a separate set of self-balancing accounts, which constitute its assets, deferred outflows of resources, liabilities, deferred inflows of resources, net position/fund balance, revenues, and expenditure/expenses.

Separate financial statements are provided for governmental funds, proprietary funds, and fiduciary funds, even though the latter are excluded from the government-wide financial statements. Major individual governmental funds and major individual enterprise funds are reported as separate columns in the fund financial statements.

Funds are organized as major funds or non-major funds within the governmental and proprietary statements. An emphasis is placed on major funds within the governmental and proprietary categories. A fund is considered major if it is the primary operating fund of the city or meets the following criteria:

a. Total assets/deferred outflows of resources, liabilities/deferred inflows of resources, revenues, or expenditures/expenses of that individual governmental or enterprise fund are at least 10 percent of the corresponding total for all funds of that category or type, and

b. The same element of the individual governmental fund or enterprise fund that met the 10 percent test is at least 5 percent of the corresponding total for all governmental and enterprise funds combined.

c. In addition, any other governmental or enterprise fund that the city believes is particularly important to financial statement users may be reported as a major fund.

The city reports the following major governmental funds:

General Fund – accounts for the city's primary operating activities. It is used to account for and report all financial resources except those required to be accounted for in another fund.

General Debt Service Fund – used to account for and report financial resources that are restricted, committed, or assigned to expenditure for the payment of general long-term debt principal, interest, and related costs, other than TID or enterprise debt.

Capital Improvements Capital Projects Fund – used to account for and report financial resources that are restricted, committed, or assigned to expenditures for capital outlays, including the acquisition or construction of capital facilities and other capital assets for capital improvement projects.

The City reports the following major enterprise funds:

Water Utility – accounts for operations of the water system

Wastewater Utility – accounts for operations of the wastewater system

Water Resource Management Utility – accounts for operations of the stormwater system

The City reports the following non-major governmental funds:

Special Revenue Funds – used to account for and report the proceeds of specific revenue sources that are restricted or committed to expenditures for specified purposes (other than debt service or capital projects).

Park & Open Space	Concession Stand	Landscape
Trail Fees	Park & Recreation	Building Maintenance
Impact Fees	Police	Technology Fee
Wastewater RCA Fees	Fire	~~Room Tax Grant Fund~~ Tourism F
~~NB Hills~~ Golf Course	Mayor	Tax Increment District
Fourth of July	Special Assessment	Grant
Library	~~Equipment Replacement~~	Garbage/Recycling

Capital Projects Funds – used to account for and report financial resources that are restricted, committed, or assigned to expenditure for capital outlay, including the acquisition or construction of capital facilities and other capital assets.

Equipment Equipment Replacement

In addition, the city reports the following fund types:

Internal service funds are used to account and report the financing of goods or services provided by one department or agency to other departments or agencies of the City, or to other governmental units, on a cost-reimbursement basis.

General Liability Insurance

~~Agency~~ Custodial funds are used to account for and report assets held by the city in a trustee capacity or as an agent for individuals, private organizations, and/or other governmental units.

Property Tax

Deposit

C. MEASUREMENT FOCUS, BASIS OF ACCOUNTING, AND FINANCIAL STATEMENT PRESENTATION

Government-Wide Financial Statements

The government-wide statement of net position and statement of activities are reported using the economic resources measurement focus and the accrual basis of accounting. Under the accrual basis of accounting, revenues are recognized when earned and expenses are recorded when the liability is incurred or economic asset used. Revenues, expenses, gains, losses, assets, and liabilities resulting from exchange and exchange-like transactions are recognized when the exchange takes place. Property taxes are recognized as revenues in the year for which they are levied. Taxes receivable for the following year are recorded as receivables and deferred inflows. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider are met. Special assessments are recorded as revenue when earned. Unbilled receivables are recorded as revenues when services are provided.

As a general rule, the effect of inter-fund activity has been eliminated from the government-wide financial statements. Exceptions to this general rule are charges between the city's water, wastewater and water resource management utilities and various other functions of the government. Elimination of these charges would distort the direct costs and program revenues reported for the various functions concerned.

Fund Financial Statements

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recorded when they are both measurable and available. Available means collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period. For this purpose, the city considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures are recorded when the related fund liability is incurred, except for unmatured interest on long-term debt, claims, judgments, compensated absences, and pension expenditures, which are recorded as a fund liability when expected to be paid with expendable available financial resources.

Property taxes are recorded in the year levied as receivables and deferred inflows. They are recognized as revenues in the succeeding year when services financed by the levy are being provided.

Intergovernmental aids and grants are recognized as revenues in the period the city is entitled the resources and the amounts are available. Amounts owed to the city which are not available are recorded as receivables and unavailable revenues. Amounts received before eligibility requirements (excluding time requirements) are met are recorded as liabilities. Amounts received in advance of meeting time requirements are recorded as deferred inflows.

Special assessments are recorded as revenues when they become measurable and available as current assets. Annual installments due in future years are reflected as receivables and unavailable revenues.

Revenues susceptible to accrual include property taxes, miscellaneous taxes, public charges for services, special assessments and interest. Other general revenues such as fines and forfeitures, inspection fees, recreation fees, and miscellaneous revenues are recognized when received in cash or when measurable and available under the criteria described above.

Proprietary and fiduciary fund financial statements ~~(other than agency funds)~~ are reported using the economic resources measurement focus and the accrual basis of accounting, as described previously in this note. ~~Agency funds follow the accrual basis of accounting, and do not have a measurement focus.~~

The proprietary funds distinguish *operating* revenues and expenses from *non-operating* items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the Water, Wastewater, and Water

Resource Management Utilities are charges to customers for sales and services. The rates used in the Water Utility were approved by the Public Service Commission. Wastewater and Water Resource Management service charges are billed at rates established by the city's common council. Special assessments are recorded as receivables and contribution revenue when levied. Operating expenses for proprietary funds include the cost of sales and services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as non-operating revenues and expenses.

All Financial Statements

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenditures/expenses during the reporting period. Actual results could differ from those estimates.

D. Assets, Deferred Outflows of Resources, Liabilities, Deferred Inflows of Resources, and Net Position or Equity

1. Deposits and Investments

For purposes of the statement of cash flows, the city considers all highly liquid investments with an initial maturity of three months or less when acquired to be cash equivalents.

2. Receivables

Property taxes are levied in December on the assessed value as of the prior January 1. In addition to property taxes for the city, taxes are collected for and remitted to the state and county governments as well as the local school district and technical college district. Taxes for all state and local governmental units billed in the current year for the succeeding year are reflected as receivables and due to other taxing units in the accompanying statement of assets and liabilities- agency fund.

Property tax calendar

Lien date and levy date	December
Tax bills mailed	December
Payment in full, or	January 31
First installment due	January 31
Second installment due	March 31
Third installment due	May 31
Personal property taxes in full	January 31

Tax sale by County – delinquent real estate taxes-three years after tax roll date

Accounts receivable have been shown net of an allowance for uncollectible accounts. Delinquent real estate taxes as of July 31 are paid in full by the county, which assumes the collection thereof. No provision for uncollectible accounts receivable has been made for the city and the utilities because they have the right by law to place delinquent bills on the tax roll.

During the course of operations, transactions occur between individual funds that may result in amounts owed between funds. Short-term inter-fund loans are reported as "due to and from other funds." Long-term inter-fund loans (noncurrent portion) are reported as "advances from and to other funds." Inter-fund receivables and payables between funds within governmental activities are eliminated in the statement of net position. Any residual balances outstanding between the governmental activities and business-type activities are reported in the government-wide financial statements as "internal balances".

In the governmental fund financial statements, advances to other funds are offset equally by a non-spendable fund balance account which indicates that they do not constitute expendable available financial resources and, therefore, are not available for appropriation or by a restricted fund balance account, if the funds will ultimately be restricted when the advance is repaid.

3. Inventories and Prepaid Items

Governmental fund inventory items are charged to expenditure accounts when purchased. Year-end inventory is not significant. Proprietary fund inventories are generally used for construction and/or for operation and maintenance work. They are not for resale. Any materials and supplies on hand at year-end are considered immaterial.

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in both government-wide and fund financial statements.

4. Restricted Assets

Mandatory segregations of assets are presented as restricted assets. Such segregations are required by bond agreements and other external parties. ~~Current liabilities payable from these restricted assets are so classified. The excess of restricted assets over current liabilities payable from restricted assets will be used first for retirement of related long-term debt. The remainder, if generated from earnings, is shown as restricted net position.~~

5. Capital Assets

Government –Wide Statements

Capital assets, which include property, plant and equipment, are reported in the government-wide financial statements. Capital assets are defined by the government as assets with an initial cost of more than $5,000 for general capital assets, $10,000 for infrastructure assets, $1,000 for utility system assets, and an estimated useful life in excess of one year. All capital assets are valued at historical cost or estimated historical cost if actual amounts are unavailable. Donated fixed assets are recorded at their estimated fair value at the date of donation.

Additions to and replacements of capital assets of business-type activities are recorded at original cost, which includes material, labor, overhead, and an allowance for the cost of funds used during construction when significant. For tax-exempt debt, the amount of interest capitalized equals the interest expense incurred during construction netted against any interest revenue from temporary investment of borrowed fund proceeds. The cost of renewals and betterments relating to retirement units is added to plant accounts. The cost of property replaced, retired or otherwise disposed of, is deducted from plant accounts and, generally, together with removal costs less salvage, is charged to accumulated depreciation.

Depreciation and amortization of all exhaustible capital assets is recorded as an allocated expense in the statement of activities, with accumulated depreciation and amortization reflected in the statement of net position. Depreciation and amortization is provided over the assets' estimated useful lives using the straight-line method. The range of estimated useful lives by type of asset are included in the fixed asset policy.

Financial Statements

In the fund financial statements, capital assets used in governmental fund operations are accounted for as capital outlay expenditures of the governmental fund upon acquisition. Capital assets used in proprietary fund operations are accounted for the same way as in the government-wide statements.

6. Deferred Outflows of Resources

A deferred outflow of resources represents a consumption of net position/fund balance that applies to a future period and will not be recognized as an outflow of resources (expense/expenditure) until that future time.

A deferred charge on refunding arises from advance refunding of debt. The difference between the cost of the securities placed in trust for future payments of the refunded debt and the net carrying value of that debt is deferred and amortized as a component of interest expense over the shorter of the term of the refunding issue or the original term of the refunded debt. The unamortized amount is reported as a deferred outflow of resources in the government-wide and proprietary fund statements.

7. Compensated Absences

Under terms of employment, employees are granted sick leave and vacations in varying amounts. Only benefits considered to be vested are disclosed in these statements.

All vested vacation and sick leave pay is accrued when incurred in the government-wide and proprietary financial statements. A liability for these amounts is reported in governmental funds only if they have matured, for example, as a result of employee resignations and retirements, and are payable with expendable available resources.

The city provides postemployment health insurance benefits for all eligible employees. Eligibility is based on the terms of the Wisconsin Retirement System. The benefits are based on contractual agreements with employee groups, ~~the civil service code,~~ and the employee handbook. Employees may convert 50 percent of accumulated sick leave to pay for health care premiums. The cost of those premiums is recognized as an expenditure, as the premiums are paid. The entire cost is paid by the city. Funding for those costs is provided out of the current operating budget of the city. The contributions are financed on a pay as you go basis.

Payments for vacation and sick leave will be made at rates in effect when the benefits are used. Accumulated vacation and sick leave liabilities at December 31 are determined on the basis of current salary rates and include salary related payments.

8. Long-Term Obligations/Conduit Debt

All long-term obligations to be repaid from governmental and business-type resources are reported as liabilities in the government-wide statements. The long-term obligations consist primarily of notes and bonds payable, and accrued compensated absences.

Long-term obligations for governmental funds are not reported as liabilities in the fund financial statements. The face value of debts (plus any premiums) is reported as other financing sources and payments of principal and interest are reported as expenditures. The accounting in proprietary funds is the same as it is in the government-wide statements.

For the government-wide statements and proprietary fund statements, bond premiums and discounts are amortized over the life of the issue using the effective interest method The balance at year end is shown as an increase or decrease in the liability section of the statement of net position.

The city has approved the issuance of industrial revenue bonds (IRB) for the benefit of private business enterprises. IRB's are secured by mortgages or revenue agreements on the associated projects, and do not constitute indebtedness of the city. Accordingly, the bonds are not reported as liabilities in the financial statements.

9. Deferred Inflows of Resources

A deferred inflow of resources represents an acquisition of net position/fund balance that applies to a future period and therefore will not be recognized as an inflow of resources (revenue) until that future time.

10. Equity Classifications

Government–Wide Statements

Equity is classified as net position and displayed in three components:

a. Net investment in capital assets – Consists of capital assets including restricted capital assets, net of accumulated depreciation and reduced by the outstanding balances (excluding unspent debt proceeds) of any bonds, mortgages, notes, or other borrowings that are attributable to the acquisition, construction, or improvement of those assets.
b. Restricted net position – Consists of net position with constraints placed on their use either by 1) external groups such as creditors, grantors, contributors, or laws or regulations of other governments or, 2) law through constitutional provisions or enabling legislation.

c. Unrestricted net position – All other net positions that do not meet the definition of “restricted” or “net investment in capital assets.”

When both restricted and unrestricted resources are available for use, it is the city’s policy to use restricted resources first, and then unrestricted resources as they are needed.

Fund Statements

Governmental fund balances displayed as follows:

a. Non-spendable – Includes fund balance amounts that cannot be spent either because they are not in spendable form or because legal or contractual requirements require them to be maintained intact.
b. Restricted – Consists of fund balances with constraints placed on their use either by 1) external groups such as creditors, grantors, contributors, or laws or regulations of other governments or, 2) law through constitutional provisions or enabling legislation.
c. Committed – Includes fund balance amounts that are constrained for specific purposes that are internally imposed by the government through formal action of the highest level of decision making authority. Fund balance amounts are committed through a formal action (resolution) of the City. This formal action must occur prior to the end of the reporting period, but the amount of the commitment, which will be subject to the constraints, may be determined in the subsequent period. Any changes to the constraints imposed require the same formal action of the City that originally created the commitment.

d. Assigned – Includes spendable fund balance amounts that are intended to be used for specific purposes that are not considered restricted or committed. Fund balance may be assigned through the following; 1) The City has adopted a financial policy authorizing the Mayor and Director of Finance to assign amounts for a specific purpose. 2) All remaining positive spendable amounts in governmental funds, other than the general fund; are neither restricted nor committed. Assignments may take place after the end of the reporting period.

e. Unassigned – Includes residual positive fund balance within the general fund which has not been classified within the other above mentioned categories. Unassigned fund balance may also include negative balances for any governmental fund if expenditures exceeds amounts restricted, committed or assigned for those purposes.

Propriety fund equity is classified the same as in the government-wide statements.

The City considers restricted amounts to be spent first when both restricted and unrestricted fund balance is available unless there are legal documents/contracts that prohibit doing this, such as in grant agreements requiring dollar for dollar spending. Additionally, the city would first use committed, then assigned and lastly unassigned amounts of unrestricted fund balance when expenditures are made.

The City has a formal minimum fund balance policy. That policy is to maintain a working capital reserve to pay for needs caused by unforeseen emergencies. This reserve will be maintained at a minimum of not less that fifteen percent of the subsequent year’s general fund budgeted expenditures.

This policy was reviewed and approved by the Finance Committee and Common Council and signed by Mayor David Ament on the ____ day of _______________, 20___ as evidenced by his signature hereon. Three signed originals of this policy have been generated. One original is maintained in the City Clerk's office, the second original is maintained in the Finance Department, and the third original is maintained in the Mayor's Office. This policy may only be modified by the Finance Committee with Common Council approval.

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David A. Ament, Mayor

City of New Berlin General Financial Policy	TITLE: **Fixed Asset Policy**
AUTHORIZATION DATE: 10/13/15	LAST UPDATE: 10/13/15
POLICY SOURCE: Finance Committee	SCOPE: City Governmental Funds
Reviewed by City Attorney N/A	Board/Commission Approval: Finance Committee: 7/15/15, 12/13/18, 5/12/22 Common Council: 10/13/15, 1/8/19

Policy

1) Tangible capital-type items will be capitalized only if they have an estimated useful life of at least two years following the date of acquisition
2) Capitalization thresholds will be applied to individual items rather than to groups of similar items (e.g. chairs and radios)
3) Infrastructure assets will be treated separately from other capital assets for purposes of establishing capitalization thresholds.
4) Capitalization threshold will be $5,000.
5) Assets will be recorded at historical cost (estimated where actual is not available). Donated and contributed assets will be recorded at fair market value at the time of receipt. Constructed assets will include all costs including design expenses. The City will not capitalize interest on assets that are built over a period of time.
6) The City will maintain control over its non-capitalized tangible capital-type items by establishing and maintaining adequate control procedures at the department level.
7) Policy covers governmental funds, enterprise funds – Water, Sewer, Water Resource Management – are excluded

HISTORICAL COST

Historical cost is the original acquisition cost of an asset, including all ancillary costs involved in putting that asset into its intended use. Historical cost or estimated historical cost will be used as the total asset cost whenever it is directly known. All costs needed to get the asset to the point of acceptance as an asset should be included as part of historic cost. These costs include, but are not limited to, freight, transportation, installation and professional fees.

USEFUL LIFE

The useful life of an asset will be assigned depending on the asset type. Useful life estimations are developed from various sources. They may be changed at any time based on experience. Level of maintenance and outside factors such as amount of use and weather can affect an assets life. The useful lives of the various asset categories will be reviewed periodically and adjusted based on experience.

Useful life is vital, as it forms the divisor in the calculation of depreciation. Depreciation is the mechanism to allocate the cost of an asset, not its life. It is an estimate.

Depreciation will be calculated on the straight-line basis, with a half-year convention (In other words, a one-half year of depreciation will take place in the year of acquisition and one-half in the final year of its useful life.) All assets are assumed to have no salvage value. Land and construction in progress will not be depreciated. The following table lists the assets useful lives and depreciation rates:

ASSET CATEGORY	YEARS	YEARLY RATE
Buildings:	50	2%
Building Improvements:	25	4%
Equipment:	10	10%
Vehicles:		
Police Cruisers	2	50%
Ambulance	7	14.29%
General Purpose	10	10%
Highway Trucks	12	8.33%
Fire/Rescue Vehicles	15	6.67%
Office Furnishings:	10	10%
Computer		
Equipment	4	25%
Software	7	14.29%

For Infrastructure, useful lives

Roads:		
Concrete	40	2.50%
Asphalt	40	2.50%
Sidepaths/Bikepaths:		
Concrete	30	3.33%
Asphalt	15	6.67%
Sewer Utility		
Lift Station	33	3%
Plant, Mains	100	1%
Storm sewer		
Concrete – culverts, storm sewer	75	1.33%
Metal – culverts, storm sewer	40	2.50%
Ponds	20	5%
Ornamental Street Lights	35	2.86%
Land Improvements:	25	4%

These useful lives will be subject to change based on actual experience

LEASES

All lease arrangements will be evaluated by the Finance Department to determine whether it is a capital or operating lease. There are four characteristics of a capital lease. Any ONE of these criterion will trigger capitalization. The criterions are:

1) Transfer of ownership
2) Bargain purchase option
3) Lease term at least 75% of the asset's useful life
4) The present value of the lease payments equal at least 90% of fair market value

Assets that are acquired through a lease purchase shall be recorded at the lower of the present value of the minimum lease payments or the fair market value of the leased property.

CAPITAL vs. REPAIR/MAINTENANCE

Maintenance costs are to be expensed rather than capitalized. The Finance department will need to analyze material expenditures as incurred as to whether they meet the tests for capitalization versus being expensed as repairs and maintenance. While not setting specific tests, the guidelines are purposely broad and allow for professional judgment, while setting some limitations overall. The following criteria are the basis for distinguishing costs as either capital or repair and maintenance:

With respect to asset improvements, costs should be capitalized if:
1) The estimated life of the asset is extended by more than 25% or
2) The cost results in an increase in the capacity of the asset, or
3) The efficiency of the asset is increased by more than 20%, or
4) Significantly changes the character of the asset, or
5) In the case of streets and roads – if the work done impacts the "base" structure.

This policy was reviewed and approved by the Finance Committee and Common Council and signed by Mayor David Ament on the ____ day of _______________, 20___ as evidenced by his signature hereon. Three signed originals of this policy have been generated. One original is maintained in the City Clerk's office, the second original is maintained in the Finance Department, and the third original is maintained in the Mayor's Office. This policy may only be modified by the Finance Committee with Common Council approval.

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David A. Ament, Mayor

City of New Berlin General Financial Policy	TITLE: **Post-Issuance Compliance Policy**
AUTHORIZATION DATE: 7/24/12	LAST UPDATE: 10/13/15
POLICY SOURCE: Finance Committee	SCOPE: All City Debt Issues
Reviewed by City Attorney n/a	Board/Commission Approval: Finance Committee: 7/15/15, 12/13/18, 5/12/22 Common Council: 10/13/15, 1/8/19

General

This Post-Issuance Compliance Policy (the "Policy") sets forth specific policies of the City of New Berlin, Wisconsin (the "Issuer") designed to monitor post-issuance compliance of tax-exempt obligations or tax-advantaged obligations ("Obligations") issued by the Issuer with applicable provisions of the Internal Revenue Code of 1986, as amended (the "Code"), and regulations promulgated there under ("Treasury Regulations").

The Policy documents practices and describes various procedures and systems designed to identify on a timely basis facts relevant to demonstrating compliance with the requirements that must be satisfied subsequent to the issuance of Obligations in order that the interest on such Obligations continue to be eligible to be excluded from gross income for federal income tax purposes or that the Obligations continue to receive tax-advantaged treatment. The federal tax law requirements applicable to each particular issue of Obligations will be detailed in the arbitrage or tax certificate prepared by bond counsel and signed by officials of the Issuer and the post-closing compliance checklist provided by bond counsel with respect to that issue. This Policy establishes a permanent, ongoing structure of practices and procedures that will facilitate compliance with the requirements for individual borrowings.

The Issuer recognizes that compliance with applicable provisions of the Code and Treasury Regulations is an on-going process, necessary during the entire term of the Obligations, and is an integral component of the Issuer's debt management. Accordingly, the analysis of those facts and implementation of the Policy will require on-going monitoring and consultation with bond counsel and the Issuer's accountants.

Policy

The following policies relate to procedures and systems for monitoring post-issuance compliance generally.

A. The Finance Director (the "Compliance Officer") shall be responsible for monitoring post-issuance compliance issues.

B. The Compliance Officer will coordinate procedures for record retention and review of such records.

C. All documents and other records relating to Obligations issued by the Issuer shall be maintained by or at the direction of the Compliance Officer. In maintaining such documents and records, the Compliance Officer will comply with applicable Internal Revenue Service ("IRS") requirements, such as those contained in Revenue Procedure 97-22.

D. The Compliance Officer shall be aware of options for voluntary corrections for failure to comply with post-issuance compliance requirements (such as remedial actions under Section 1.141-12 of the Regulations and the Treasury's Tax-Exempt Bonds Voluntary Closing Agreement Program) and take such corrective action when necessary and appropriate.

E. The Compliance Officer will review post-issuance compliance procedures and systems on a periodic basis, but not less than annually.

Issuance of Obligations - Documents and Records

With respect to each issue of Obligations, the Compliance Officer will:

A. Obtain and store a closing binder and/or CD or other electronic copy of the relevant and customary transaction documents (the "Transcript").

B. Confirm that bond counsel has filed the applicable information report (e.g., Form 8038, Form 8038-G, Form 8038-CP) for such issue with the IRS on a timely basis.

C. Coordinate receipt and retention of relevant books and records with respect to the investment and expenditure of the proceeds of such Obligations with other applicable staff members of the Issuer.

Arbitrage

The following policies relate to the monitoring and calculating of arbitrage and compliance with specific arbitrage rules and regulations.

The Compliance Officer will:

A. Confirm that a certification of the initial offering prices of the Obligations with such supporting data, if any, required by bond counsel, is included in the Transcript.

B. Confirm that a computation of the yield on such issue from the Issuer's financial advisor or bond counsel (or an outside arbitrage rebate specialist) is contained in the Transcript.

C. Maintain a system for tracking investment earnings on the proceeds of the Obligations.

D. Coordinate the tracking of expenditures, including the expenditure of any investment earnings. If the project(s) to be financed with the proceeds of the Obligations will be funded with multiple sources of funds, confirm that the Issuer has adopted an accounting methodology that maintains each source of financing separately and monitors the actual expenditure of proceeds of the Obligations.

E. Maintain a procedure for the allocation of proceeds of the issue and investment earnings to expenditures, including the reimbursement of pre-issuance expenditures. This procedure shall include an examination of the expenditures made with proceeds of the Obligations within 18 months after each project financed by the Obligations is placed in service and, if necessary, a reallocation of expenditures in accordance with Section 1.148-6(d) of the Treasury Regulations.

F. Monitor compliance with the applicable "temporary period" (as defined in the Code and Treasury Regulations) exceptions for the expenditure of proceeds of the issue, and provide for yield restriction on the investment of such proceeds if such exceptions are not satisfied.

G. Ensure that investments acquired with proceeds of such issue are purchased at fair market value. In determining whether an investment is purchased at fair market value, any applicable Treasury Regulation safe harbor may be used.

H. Avoid formal or informal creation of funds reasonably expected to be used to pay debt service on such issue without determining in advance whether such funds must be invested at a restricted yield.

I. Consult with bond counsel prior to engaging in any post-issuance credit enhancement transactions or investments in guaranteed investment contracts.

J. Identify situations in which compliance with applicable yield restrictions depends upon later investments and monitor implementation of any such restrictions.

K. Monitor compliance with six-month, 18-month or 2-year spending exceptions to the rebate requirement, as applicable.

L. Procure a timely computation of any rebate liability and, if rebate is due, to file a Form 8038-T and to arrange for payment of such rebate liability.

M. Arrange for timely computation and payment of "yield reduction payments" (as such term is defined in the Code and Treasury Regulations), if applicable.

Private Activity Concerns

The following polices relate to the monitoring and tracking of private uses and private payments with respect to facilities financed with the Obligations.

The Compliance Officer will:

A. Maintain records determining and tracking facilities financed with specific Obligations and the amount of proceeds spent on each facility.

B. Maintain records, which should be consistent with those used for arbitrage purposes, to allocate the proceeds of an issue and investment earnings to expenditures, including the reimbursement of pre-issuance expenditures.

C. Maintain records allocating to a project financed with Obligations any funds from other sources that will be used for otherwise non-qualifying costs.

D. Monitor the expenditure of proceeds of an issue and investment earnings for qualifying costs.

E. Monitor private use of financed facilities to ensure compliance with applicable limitations on such use. Examples of potential private use include:

1. Sale of the facilities, including sale of capacity rights;

2. Lease or sub-lease of the facilities (including leases, easements or use arrangements for areas outside the four walls, e.g., hosting of cell phone towers) or leasehold improvement contracts;

3. Management contracts (in which the Issuer authorizes a third party to operate a facility, e.g., cafeteria) and research contracts;

4. Preference arrangements (in which the Issuer permits a third party preference, such as parking in a public parking lot);

5. Joint-ventures, limited liability companies or partnership arrangements;

6. Output contracts or other contracts for use of utility facilities (including contracts with large utility users);

7. Development agreements which provide for guaranteed payments or property values from a developer;

8. Grants or loans made to private entities, including special assessment agreements; and

9. Naming rights arrangements.

Monitoring of private use should include the following:

1. Procedures to review the amount of existing private use on a periodic basis; and

2. Procedures for identifying in advance any new sale, lease or license, management contract, sponsored research arrangement, output or utility contract, development agreement or other arrangement involving private use of financed facilities and for obtaining copies of any sale agreement, lease, license, management contract, research arrangement or other arrangement for review by bond counsel.

If the Compliance Officer identifies private use of facilities financed with tax-exempt or tax-advantaged debt, the Compliance Officer will consult with the Issuer's bond counsel to determine whether private use will adversely affect the tax status of the issue and if so, what remedial action is appropriate. The Compliance Officer should retain all documents related to any of the above potential private uses.

Qualified Tax-Exempt Obligations

If the Issuer issues "qualified tax-exempt obligations" in any year, the Compliance Officer shall monitor all tax-exempt financings (including lease purchase arrangements and other similar financing arrangements and conduit financings on behalf of 501(c)(3) organizations) to assure that the $10,000,000 "small issuer" limit is not exceeded.

Federal Subsidy Payments

The Compliance Officer shall be responsible for the calculation of the amount of any federal subsidy payments and the timely preparation and submission of the applicable tax form and application for federal subsidy payments for tax-advantaged obligations such as Build America Bonds, New Clean Renewable Energy Bonds and Qualified School Construction Bonds.

Reissuance

The following policies relate to compliance with rules and regulations regarding the reissuance of Obligations for federal law purposes.

The Compliance Officer will identify and consult with bond counsel regarding any post-issuance change to any terms of an issue of Obligations which could potentially be treated as a reissuance for federal tax purposes.

Record Retention

The following polices relate to retention of records relating to the Obligations issued.

The Compliance Officer will:

A. Coordinate with staff regarding the records to be maintained by the Issuer to establish and ensure that an issue remains in compliance with applicable federal tax requirements for the life of such issue.

B. Coordinate with staff to comply with provisions imposing specific recordkeeping requirements and cause compliance with such provisions, where applicable.

C. Coordinate with staff to generally maintain the following:

1. The Transcript relating to the transaction (including any arbitrage or other tax certificate and the bond counsel opinion);

2. Documentation evidencing expenditure of proceeds of the issue;

3. Documentation regarding the types of facilities financed with the proceeds of an issue, including, but not limited to, whether such facilities are land, buildings or equipment, economic life calculations and information regarding depreciation.

4. Documentation evidencing use of financed property by public and private entities (e.g., copies of leases, management contracts, utility user agreements, developer agreements and research agreements);

5. Documentation evidencing all sources of payment or security for the issue; and

6. Documentation pertaining to any investment of proceeds of the issue (including the purchase and sale of securities, SLGs subscriptions, yield calculations for each class of investments, actual investment income received by the investment of proceeds, guaranteed investment contracts, and rebate calculations).

D. Coordinate the retention of all records in a manner that ensures their complete access to the IRS.

E. Keep all material records for so long as the issue is outstanding (including any refunding), plus seven years.

Continuing Disclosure

Under the provisions of SEC Rule 15c2-12 (the "Rule"), underwriters are required to obtain an agreement for ongoing disclosure in connection with the public offering of securities in a principal amount in excess of $1,000,000. Unless the Issuer is exempt from compliance with the Rule as a result of certain permitted exemptions, the Transcript for each issue of Obligations will include an undertaking by the Issuer to comply with the Rule. The Compliance Officer of the Issuer will monitor compliance by the Issuer with its undertakings, which may include the requirement for an annual filing of operating and financial information and will include a requirement to file notices of listed "material events."

Conduit Bond Financings

In conduit bond financings, such as industrial revenue bonds or Midwestern Disaster Area Bonds, the Issuer is not in a position to directly monitor compliance with arbitrage requirements and qualified use requirements because information concerning and control of those activities lies with the private borrower. The Issuer's policy in connection with conduit financings is to require that the bond documents in such financings impose on the borrower (and trustee or other applicable party) responsibility to monitor compliance with qualified use rules and arbitrage and other federal tax requirements and to take necessary action if remediation of nonqualified bonds is required.

This policy was reviewed and approved by the Finance Committee and Common Council and signed by Mayor David Ament on the ____ day of _______________, 20___ as evidenced by his signature hereon. Three signed originals of this policy have been generated. One original is maintained in the City Clerk's office, the second original is maintained in the Finance Department, and the third original is maintained in the Mayor's Office. This policy may only be modified by the Finance Committee with Common Council approval.

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David A. Ament, Mayor

City of New Berlin General Financial Policy	TITLE: **Reserve Funds Policy**
AUTHORIZATION DATE: 3/11/08	LAST UPDATE: 5/15/13, 10/13/13
POLICY SOURCE: Finance Committee	SCOPE: City Governmental Funds
Reviewed by City Attorney n/a	Board/Commission Approval: Finance Committee: 7/15/15, 12/13/18, 5/12/22 Common Council: 10/13/15, 1/8/19

Policy

1. The City will establish a working Capital reserve to pay for needs caused by unforeseen emergencies. This reserve will be maintained at minimum of not less than fifteen (15%) of the general operating fund.

Explanation: The City will maintain unrestricted fund balances to provide necessary working capital to avoid cash flow interruptions and short-term borrowing to fund daily operations. These fund balance reserves are used to generate interest income, and to assist in maintaining an investment grade bond rating.

2. The City will annually budget an undesignated contingency reserve to provide for unanticipated expenditures of a nonrecurring nature, or to meet unexpected small increases in service delivery costs.

Explanation: The City's Contingency Reserve provides for emergencies which could not be anticipated during the budget review process. Contingency reserve transfers are determined and authorized by the City council upon a two-thirds positive vote of the entire membership (pursuant to Wisconsin State Statutes 65.90(5) if the need is of sufficient urgency and is not a circumvention of the budget process.

3. The city has a plan to replenish fund balance should it fall below minimum required level.

The General Fund unrestricted fund balance will be replenished using the following methods:

a. Adjust the five year financial projection so that spending is adjusted down (or economic recovery predicted) and desired levels of unrestricted fund balance are replenished.
b. Natural disaster use is replenished when anticipated reimbursement is received from state/federal government.
c. Fund Balance will be replenished in the order of: committed, assigned, and unassigned.

The General Fund unrestricted fund balance will be replenished using the following timeline:

a. The amount that needs to be replenished will be adjusted in the five year financial projection to be brought to the minimum required level over a maximum of five budget years.

Milestones for gradual replenishment: Replace 25% of the shortfall per year for four years.

This policy was reviewed and approved by the Finance Committee and Common Council and signed by Mayor David Ament on the ____ day of _______________, 20___ as evidenced by his signature hereon. Three signed originals of this policy have been generated. One original is maintained in the City Clerk's office, the second original is maintained in the Finance Department, and the third original is maintained in the Mayor's Office. This policy may only be modified by the Finance Committee with Common Council approval.

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David A. Ament, Mayor

City of New Berlin General Financial Policy	TITLE: **Procurement Policy**
AUTHORIZATION DATE: 10/12/06	LAST UPDATE: 6/14/07,10/13/15,1/8/19
POLICY SOURCE: Finance Committee	SCOPE: City – wide
Reviewed by City Attorney n/a	Board/Commission Approval: Finance Committee 7/15/15, 12/13/18, 5/12/22 Common Council 10/13/15, 1/8/19

I. GENERAL

The purpose of this policy is to allow the City to acquire, on a competitive basis, all goods and services at the best value possible and operate in a manner that maximizes the effectiveness and efficiency of services provided by the City.

II. POLICY

The City of New Berlin, as a local governmental entity, needs to ensure that the expenditure of public funds occurs in a manner that balances the desire for lowest cost to the City with an expectation of a quality product. The purpose of this policy is to provide guidance and procedures to be followed for procurement of goods and services for all City departments within the scope of the City Code and the Wisconsin Statutes. The controls and procedures set forth are intended to provide reasonable assurance that the lowest cost, highest quality good or service is obtained, while balancing the need for flexibility in department operations. This policy covers items that have been included in the city budget as approved by the Common Council.

The purpose of the purchasing program is to enable departments to acquire needed equipment, materials, supplies and services of suitable quality for the purpose intended from the lowest priced responsible and responsive bidder while enhancing competition and providing fair opportunity and equitable treatment for all vendors.

This will be accomplished by utilizing a combined effort between City departments and the Mayor. The Mayor will concentrate efforts on standardizing and centralizing purchases of common use items among all departments while enlisting individual department’s expertise in purchasing specialized items unique to their departments. When purchasing these specialized items, the individual department becomes responsible for ensuring that the provisions of this policy are followed.

The policy pertains to all agencies, departments or offices of the City and, when applicable unless otherwise provided by statute, those committees, boards or commissions which manage or operate other City properties, installations or activities.

III. PROCEDURES

A. DEPARTMENT SPECIFIC PURCHASES

In order to take advantage of the technical expertise within various City Departments, department personnel will have the authority to purchase specialized items unique to their operations. The Mayor will be available to serve in an advisory capacity. However, if the department wishes, the responsibility for the purchase of these specialized items may be turned over to the Mayor. Certain departments employ individuals whose duties include routine purchasing of non-specialized goods and services. These individuals retain such authority at the discretion of the Department Head and the Mayor, and shall execute their purchasing responsibilities in accordance with all provisions of this policy and under the general oversight of the Finance Department. The individual coordinating the purchase will be responsible for ensuring that all provisions of the procurement policy are followed. Upon request of the Finance Director, departments will furnish copies of quotes and other documentation to show compliance with the procurement policy.

If a question arises over the categorization of a purchase as specialized or non-specialized, the Mayor will make the final determination.

B. PURCHASING AND CONTRACTING LEVELS

Purchases of and contracts for supplies, materials, equipment and contractual services shall be made in the best interest of the City according to the spending guidelines in this policy. While the policy encourages bid pricing, sole source purchases may be made without competition when only one sole source is available or there is a valid reason to purchase from one source. Sole source purchases must be agreed upon in advance between the department and the Mayor. The reason for the sole source purchase must be documented and retained on file by the department. For all purchases the Mayor reserves the right to coordinate the purchase of like items where such purchase is beneficial and practical.

(1) *Purchases of $500 to $15,000* require the solicitation of two or more quotes, except as section III (C) applies, which may be written or verbal, but documented in either case. When verbal quotes are received, all pertinent details of the quote should be documented in writing by the department and retained on file.

(2) *Purchases of $15,000 or more (other than Public Works Construction Projects)* require a minimum of two written quotations be solicited. Any new contracts or agreements for services or equipment with an anticipated contract cost of $15,000 or more require the approval of the Mayor prior to execution.

(3) *Public Works Construction Projects.* In accordance with Wisconsin Statute 62.15 & 66.0901, all such projects or materials for such projects, the cost for which is expected to be greater than $25,000 must be competitively bid. The City Attorney or his /her designee will determine the applicability of this statute to individual projects.

The bidding and awarding processes are detailed in Wisconsin Statute 66.0901. All public works bids and staff recommendations will be submitted through the commission, board or committee with jurisdiction over the issue, for Common Council approval.

C. STANDARD CONTRACTS

When the Department has standardized the purchasing of a good or service and has issued standard purchase orders or contracts for these goods or services, such goods or services shall be purchased from the agreed upon vendor for the length of the agreement. The standard contracts will usually be let on an annual basis. Exceptions will be made only when the requisition clearly states the reason for which the standard item is unacceptable.

D. COOPERATIVE PURCHASING

The Mayor shall have authority to join with other units of government, with quasi-government agencies funded in whole or in part by the City, and with other purchasing associations in cooperative purchasing plans when the best interest of the City would be served. Competitively bid cooperative purchasing contracts onto which the City “piggybacks” are considered to have met competitive requirements, and no additional quotes are necessary. Additionally, if identical projects can be obtained at a lower price than current cooperative purchasing contracts, no additional quotes are required.

E. PURCHASING FROM GOVERNMENT UNITS

Materials, supplies, machinery and equipment offered for sale by the federal or state government or by any municipality may be purchased without bids at prices to be agreed upon between the Mayor and the respective department for which the item is to be acquired. Expert assistance for appraisal of such items may be employed at the discretion of the Mayor.

F. EMERGENCY PURCHASES

Any City department or agency may purchase in the open market, without filing a requisition or estimate, or receiving competitive bids, any supplies, materials or equipment for immediate delivery to meet emergencies arising from unforeseen causes. The following situations constitute an emergency under this provision of the policy:

(1) Any situation in which there exists immediate and substantial danger to the health, life or property of any person or any situation in which there exists

potential for increased damage to City property if the situation is not immediately remedied;

(2) Any situation where the normal operation of any City department or Agency is seriously impaired or is in jeopardy or being seriously impaired; or

(3) When the Mayor or in his absence the Council President declares an emergency.

G. PURCHASE OF RECYCLED MATERIALS

The Mayor will ensure that the average recycled content of all paper purchased by the City measured as a proportion, by weight, of the fiber content of all paper products purchased in the year is not less than those percentages specified in Wisconsin Statute 66.0131 (3) (a) (2).

H. PURCHASE ORDERS

Purchase orders will be required for all purchases of goods and services unless such payment is covered by an existing contract or other agreement.

I. SERIAL CONTRACTING

No contract or purchase shall be subdivided to avoid the requirements of this policy. Serial contracting is the practice of issuing a series of purchase orders to the same vendor for the same commodity or service in any 90-day period in order to avoid the requirements of the procurement policy.

J. APPROPRIATIONS

All purchases shall be made in accordance with the appropriations (budget) that have been approved by the Council for the operation of the respective City departments. The responsibility for not exceeding existing appropriations rests with the department head making the requisitions or purchases.

K. LOWEST RESPONSIBLE BIDDER AND BEST VALUE CONCEPT

All open market orders or contracts shall be awarded to the lowest priced, responsive and responsible bidder taking into consideration the following factors: the qualities of the articles to be supplied; conformity with specifications; product compatibility; maintenance costs; vendor support after the purchase, the ability and qualifications of the vendor to perform the contract, and delivery terms.

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

(2) The Mayor along with the City Attorney, or his/her designee shall have the authority to require a performance bond or other similar instrument of surety in such amount as

is reasonably necessary to protect the best interest of the City before entering into a contract. Notwithstanding the foregoing, performance and payment bonds in the full amount of the contract shall be required for all public construction contracts in accord with Wisconsin Statute Section 779.14.

(3) Contracts must be approved as to form and sufficiency by the City Attorney or his/her designee.

L. PROCUREMENT OF SERVICES

Whenever practical, the purchase of all services should be based on competitive bids/quotations/proposals subject to the spending guidelines noted in Procedure III (B) of this policy. This includes, but is not limited to, the following categories of services:

Professional Services. Consulting and expert services provided by an organization or individual.

Contractor Services. The furnishing of labor, time or effort by a contractor, usually not involving the delivery of specific goods or products other than those that are the end result of and incidental to the required performance.

Client Services. Those services provided directly to individuals on behalf of the City.

Construction Services. Services provided in the construction of roads, buildings or other facilities.

Technology Services. Services provided in the design, development, installation, and/or operation or maintenance of automated computer systems, including hardware and software.

If it is estimated that the service being solicited has a total cost of over $15,000 and the value of the service is substantially measured by the professional competence of the providers rather than cost alone, it is recommended that a Request for Proposal (RFP) or Professional Services Qualifications (PSQ) be used to solicit vendor responses.

M. PROHIBITED BUSINESS TRANSACTIONS

(1) Employees are not allowed to participate directly or indirectly in a purchase when the employee, or a member of the employee’s family, has a financial interest in the purchase or the employee, or a member of the employee’s family, is negotiating or has an arrangement concerning prospective employment with the supplier, or the action is otherwise contrary to the terms of the City’s Code of Ethics in the City Municipal Code or applicable Wisconsin Statutes.

(2) Purchases for services or goods should not be made from employees of the City unless the employee can be considered an independent contractor as defined by the Internal Revenue Service.

(3) Employees of the City are not allowed to use City negotiated discounts or the City's tax exempt status to purchase goods or service for their own personal use or gain.

(4) The City of New Berlin Code of Ethics Policy shall be referenced regarding receipt of gifts. Employees who receive offers of gifts or other improper attempts to influence purchasing decisions should report this to their supervisor and/or the Mayor, who will in turn consult with the City Attorney or shall submit the matter to the City's Ethics Board for an advisory opinion to determine the appropriate course of action.

N. SURPLUS OR OBSOLETE SUPPLIES OR EQUIPMENT

Disposal of City-owned supplies or equipment that is no longer required or serving a useful purpose shall be handled in a manner that is:

- economically feasible;
- in compliance with all applicable laws, regulations and policies;
- environmentally responsible; and
- deemed to be in the best interest of the City.

Departments should contact the Mayor for assistance in determining the most appropriate and beneficial method of disposal. There are several **approved methods** for disposal of surplus, including:

1) A live auction conducted by the City or other agency;
2) Internet-based auctions or selling tools (i.e. eBay);
3) Sale to the general public via advertised, sealed bidding;
4) Trade-in on new supplies or equipment;
5) Transfer to another City department;
6) Donation to approved non-profit organizations;
7) Sale, trade, transfer or donation to an outside publicly funded agency;
8) Recycling and/or sale as scrap;
9) Discarding as trash; and
10) Other methods which may be approved on a case by case basis by the Mayor.

Which method of disposal is most appropriate will depend upon several factors, including:

- The condition, location and physical characteristics of the item(s);

- The amount of time, effort, administration and expense required for the method relative to the potential value received;
- The public benefits and/or liabilities associated with the method.

The City will assign one or more Auction Administrators to facilitate sale by auction when appropriate. He or she shall assist departments in selecting an auction type and venue, establish procedures and responsibilities and conduct online auctions.

Disposing of items or groups of items with an estimated value of $2,500 or more using methods other than 1 through 5 in the **approved methods** list above shall require approval of the Mayor.

For items or groups of items with an estimated value of less than $50, departments may, at their discretion, utilize any of the approved methods listed, provided the disposal meets the general criteria listed at the beginning of this section. For estimated values over $50, departments should contact the Mayor or his/her designee for assistance in determining the most appropriate and beneficial method of disposal.

All proceeds received from the sale of City surplus property shall be reported and delivered to the Finance Department for deposit and application to the proper account(s).

City owned supplies or equipment will not be taken by, given to, or sold to City employees except by public auction or competitive bidding, regardless of their apparent value or condition, unless a specific exception is granted by the Common Council.

O. INSURANCE REQUIREMENTS

Follow City's "CONTRACTUAL RISK TRANSFER POLICY" under General Administrative Policies.

P. OPEN RECORDS/PUBLIC INFORMATION

With few exceptions, records related to governmental purchasing are subject to public access under Wisconsin's Open Records Law. This includes, but is not limited to, quotes, bids, proposals, purchase orders and related correspondence. While employees may ask that open records requests be made in writing, the requestor is not required to do so.

(1) When conducting public bid openings, the names of the bidders and certain bid details, including price shall be read aloud. In the case of proposal (RFP) openings, only the names of the proposers shall be read aloud. In either case, copies of the bids or proposals are not made available, nor are inspection of the documents permitted, until contract award has been submitted for approval to the Committee of Jurisdiction.

(2) Vendors requesting confidentiality of their quotes, bids, proposals or portions thereof must identify the confidential materials as such and state the specific, legitimate reason(s), i.e. trade secret, propriety customer list.

(3) Questions regarding compliance with an open records request should be referred to the City Attorney or his/her designee.

Q. INFORMATION TECHNOLOGY RELATED EQUIPMENT AND SUPPLIES

In order to ensure compatibility and maintain standards for the City's information systems, all purchases of information technology equipment, supplies and services must be initiated by and acquired through the Information Technology Department. This includes, but may not be limited to, computers, software, printers, copiers, inks, toners, repair parts, support and maintenance services, telephone equipment, scanners or any peripheral device which interfaces with any part of the City's information systems.

Information Technology staff should be the primary vendor point of contact for all information technology needs. In turn, the Information Technology Department is responsible for adhering to the provisions of this policy when conducting such procurement activities.

R. LOCAL PROCUREMENT

Since there are often cost and service related advantages associated with buying from local sources, the Common Council has adopted the following resolution:

"Resolved, that where not prohibited by law, the City of New Berlin include in the evaluations of all bids, proposals and quotations for goods and/or services (except public construction) where the value of such goods or services is expected to exceed $5,000, evaluation criteria which favorably and accurately assess the relevant cost and service advantages of procurement from local sources. Where point based systems are used for proposal evaluation and award, the points available for this purpose shall be determined prior to proposal opening and shall not exceed 5% of the total points available."

The Finance Director is available to assist Departments in applying this policy resolution to specific procurement situations.

This policy was reviewed and approved by the Finance Committee and Common Council and signed by Mayor David Ament on the ____ day of ________________, 20___ as evidenced by his signature hereon. Three signed originals of this policy have been generated. One original is maintained in the City Clerk's office, the second original is maintained in the Finance Department, and the third original is maintained in the Mayor's Office. This policy may only be modified by the Finance Committee with Common Council approval.

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David A. Ament, Mayor

Glossary of Terms

Auction Administrator. An individual assigned by the Mayor to assist departments in selecting an auction type and venue, establish procedures and responsibilities, and conduct online auctions for the sale of surplus supplies or equipment.

Bid. A formal price solicited from a vendor for a good or service. Bids are required to conform to specific terms and well defined specifications contained in the solicitation documents. A sealed written bid is required with public notice setting a specific time and place to open all bids received for any project defined as public construction.

City. The City of New Berlin, WI.

Contract. An agreement between 2 or more parties to do something or provide specific goods or services.

Contract Cost. Total cost of a contract, whether for one or more years.

Contractual Services. Includes, but may not be limited to: telephone, gas, water, electric light, power and heating services; towel and cleaning services; leases for grounds, buildings, equipment, office or other space required by the using department; and the rental, repair or maintenance of equipment, machinery or other property owned by the City.

Council. The Common Council of the City of New Berlin.

Department. All agencies, departments or offices of the City and, when applicable unless otherwise provided by statute, those committees, boards or commissions which manage or operate other City properties, installations or activities.

Invitation For Bid (IFB). The documents used to solicit bids from vendors.

Mayor. The Mayor or his/her designee. (Department Head)

Professional Services. Services, the value of which are substantially measured by the professional competence of the persons performing them and which are not susceptible to realistic competition by cost alone. Such services include, but shall not be limited to those customarily rendered by architects, engineers, surveyors, real estate appraisers, certified public accountants, attorneys, financial advisors, medical and social service providers, computer software applications, systems development/implementation, management and other consultants, promotional programs such as marketing and advertising, and such other specific services as determined by the Mayor.

Professional Services Qualifications (PSQ). All documents, whether attached or incorporated by reference, used for soliciting statements of qualification for professional services.

Proposal. A plan received from a vendor and the related cost of implementing the plan. Proposals are usually requested when the specifications or scope of the services needed cannot be adequately prepared to provide all prospective vendors a complete and accurate description of the work to be performed. Vendors are asked to propose their best solution to the needs defined in the solicitation. Proposals are often requested when soliciting costs for professional services, high-tech equipment, other specialized equipment and research and development expenditures.

Public Construction. Substantial repairs, remodeling, construction or improvement of a public work or building (Wisconsin Statute Section 66.0901 & Section 62.15).

Quotation. An informal type of bid received from a vendor offering to sell a product or service. The quotation will contain specified pricing, terms and conditions of sale. The quotation may be either in writing (including a price list or catalog) or verbal, depending upon the dollar value as outlined in IV (C) (2) (3).

Request for Proposal (RFP). All documents, whether attached or incorporated by reference, used for soliciting proposals for professional services.

Request for Quotations (RFQ). A written request for informal bids or quotes.

Service. The furnishing of labor, time or effort by a contractor, usually not involving the delivery of specific goods or products other than usual reports, materials or drawings which are the end result of and incidental to the required performance.

City of New Berlin General Financial Policy	TITLE: **Revenue Policy**
AUTHORIZATION DATE: 10/13/15	LAST UPDATE: 10/13/15, 1/8/19
POLICY SOURCE: Finance Committee	SCOPE: City Governmental Funds
Reviewed by City Attorney n/a	Board/Commission Approval: Finance Committee: 7/15/15, 12/13/18, 5/12/22 Common Council: 10/13/15, 1/8/19

General

The City will design, maintain, and administer a revenue system that will assure a reliable, equitable, diversified, and sufficient revenue stream to support desired City services.

Policy

1. The City will try to maintain a diversified and stable revenue system to shelter it from short-run fluctuations in any one revenue source.

2. The City will estimate its annual revenues by an objective, analytical process.

3. The City will project revenues, and will update this projection annually. Each existing and potential revenue source will be re-examined annually.

4. The City will maintain sound appraisal procedures to keep property values correct. Property will be assessed at 100% of full market value in compliance with the Wisconsin Property Assessment Manual and Ch 70 of the Wisconsin State Statutes. Reassessments will be made of all property in accordance with Chapter 70 Wisconsin State Statutes or as deemed necessary by the City Assessor.

5. The year-to-year increase of actual operational tax levy will be sufficient to provide services that are essential or enhance the quality of the community.

6. The City will establish all user charges and fees for enterprise fund accounts at a level related to the cost of providing the services.

7. Each year, the City will recalculate the full costs of activities supported by user fees to identify the impact of inflation and other cost increases.

8. The City will annually revise user fees with review of the Council to adjust for the effects of inflation and other costs.

9. The City will set fees and user charges for each enterprise fund such as the sewer and water resource management utilities at a level that fully supports the total direct and indirect cost of the activity. Indirect costs include the cost of annual depreciation of capital assets.

10. The City will follow an aggressive policy of collecting revenues.

This policy was reviewed and approved by the Finance Committee and Common Council and signed by Mayor David Ament on the ____ day of _______________, 20___ as evidenced by his signature hereon. Three signed originals of this policy have been generated. One original is maintained in the City Clerk's office, the second original is maintained in the Finance Department, and the third original is maintained in the Mayor's Office. This policy may only be modified by the Finance Committee with Common Council approval.

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David A. Ament, Mayor