

Finance Committee Meeting Minutes
August 18, 2009

Chairman Larsen called the meeting to order at 6:32 PM.

Members Present: Aldermen Larsen, Cochrane and Antonneau

Staff Present: Mayor Sullivan, Gard, Beguhn, Gallo, Lamp, Kitsembel, Duffy, Frye, Maurer, Leidel, Steinbach, Bednarski, Roush, Molitor and Coenen

Others Present: Alds. Kohlenberg, Morgan, Nold, Schmitter and Miller, and Atty. Chapman

2. Consider/recommend Agreement for Municipal-Wide E-mail System

Molitor reported that at the June 16th Finance Committee meeting staff presented a proposal to move forward with migration to a new email system to provide consolidated city-wide email. The goal of consolidating each department's dissimilar email systems is to bring all city employees onto one email system, and to utilize and promote our domain name. Staff recommended Municipal Mail as the provider based on our research of various providers and on the recommendation of PDS' IT Systems Study. Due to concerns raised by Ald. Kohlenberg the Finance Committee directed staff to go through the formal RFP process. Staff sent out RFP's to five vendors that provide this type of service and advertised in our official city newspaper. Of the five sent, only Municipal Mail submitted a proposal. Godaddy.com did not respond, Hurdit.com declined to submit a proposal, Inacom.com could not meet specifications and declined to submit a proposal and Smarsh.com did not respond. The original proposal by Municipal Mail included monthly fees of \$15/user and \$150/dedicated server and waived all activation fees. Annual fees for 97 users totaled \$19,260 with \$0 in setup costs. The second proposal from Municipal Mail reflects the same monthly user and dedicated server fees, but includes activation fees of \$6,860 less promotional discounts of \$1,800. Staff contacted them to discuss the activation fee and was told it was waived originally because it would have occurred before a conference they were going to attend to promote their product. This conference had passed so the second proposal did not waive the fee. Municipal Mail did verbally offer to waive the activation fee from the second proposal if the Council approves the proposal on August 18th due to the fact they will be promoting their product at a different conference on August 19th. They will provide the City with a hosted email system and archiving. Additionally, each City user will have the ability to access their email account from any internet connection and this migration will free up space on our servers, create offsite retention and will archive our data for seven years. The contract is on a month to month basis and is an interim solution until we get our own server. The Committee was concerned that only one bid was received.

Motion by Larsen to recommend the agreement with Municipal Mail for the municipal-wide email system consolidation; second by Cochrane. Motion carried 3-0.

3. Consider/recommend Purchasing Policy Revisions

Kitsembel reported that due to concerns with our current policy, staff met with the Finance Committee previously to discuss revisions and those comments have been incorporated in this draft as well as comments by the City Attorney and Department Heads. The three main areas that include new language in are construction contracts, utility inventory purchases and professional service procurement. For construction contracts, changes almost always occur in large construction contracts and these changes can vary from quantity changes in a unit price contract to scope of service changes. The issue with setting forth procedures to approve such changes is the fact that flexibility is needed by departments to keep a project moving and on schedule. Sometimes decisions have to be made immediately or it could result in the delay of the project and/or remobilization charges for example. Currently many changes are approved by the Department Head and brought to Council for approval after the fact. This policy gives the Department Head the authority to approve "quantity changes" with the theory being the project scope is unchanged and the quantities were an estimate for bidding purposes. For "change orders" approval can be given by the Department Head and City Administrator for up to 15% of the original contract or \$10,000, whichever is greater. For utility inventory purchases, it has been the utility's long standing practice for the Utility Operations Manager to solicit estimates for the purchase of utility inventory and obtain approval of the City Administrator for the purchase. Due to the types and cost of infrastructure components purchased, nearly all purchases would need Council approval if the normal thresholds for purchase of goods were followed. Many items have long lead times for delivery or are time sensitive due to a development project. For professional service procurement, it has been the City's policy and practice to select professional services on a qualification based selection process. Professional services cannot be distinguished solely on price, but need to consider knowledge and expertise of the consultant. Another factor is that not all services needed by the City can be defined in scope or length of service and this policy reiterates that a qualifications based selection process shall be used in obtaining professional services. In addition the City Administrator is delegated authority to retain professionals in instances when the project scope or length of engagement cannot be defined and notify Council in writing of such engagements. The purpose of these policy changes is to provide reasonable assurance that the lowest cost, highest quality good or service is obtained, while balancing the need for flexibility in department operations.

Motion by Larsen to recommend the purchasing policy revisions; second by Cochrane. Motion carried 3-0.

4. Consider/act on Vouchers

Motion by Larsen to approve the vouchers in the amount of \$3,057,519.45; second by Antonneau. Motion carried 3-0.

Motion by Larsen to adjourn; second by Cochrane. Motion carried 3-0. The meeting adjourned at 6:50 PM.

Minutes taken by
Diane Coenen, City Clerk
Ald. Cochrane, Secretary