



Town of Upper Marlboro

Town Hall, 14211 School Lane
Upper Marlboro, MD 20772

Tel: (301) 627-6905
Fax: (301) 627-2080

info@uppermarlboromd.gov
www.uppermarlboromd.gov

Mailing address: P.O. Box 280 • Upper Marlboro, MD 20773-0280

MEMORANDUM

To: Board of Town Commissioners
From: Kyle Snyder, Town Administrator
Date: Monday August 1st, 2022
Re: Financial Items for Discussion

Commissioners,

Below is an overview of several different Financial Topics compiled into one memo for your review:

Financial Policies & Legislation Update

Charter Amendment: Staff is recommending the Board consider updating Section 82–56. (Purchasing and Contracts) of the Town Charter which was last updated in 2010. Below are the two sentences’ staff would like the Board to consider increasing the amounts listed:

- “The President, as prescribed by ordinance, may be authorized to make individual purchases and execute contracts up to **\$2,000** in cost so long as the duration of the purchase or contract is one year or less without prior Board approval if such contracts or purchases were previously authorized by a budget ordinance or approved within any detailed budget documents supporting said budget ordinance.”
- “All expenditures for contracts and purchases with an anticipated cost of more than ten thousand dollars (**\$10,000**) shall be subject to competitive sealed bidding unless the Board, by unanimous vote of the full Board, finds another method of procurement to be more advantageous.”

As the Town has seen the benefit of a professional staff and Department heads in place to assist with the day-today operations of the Town over the past few years, the increasing of these limits will free up meeting and discussion time with the Board of Commissioners to focus on other matters.

Procurement Ordinance: Staff is recommending the Board consider replacing the Town’s current Ordinance 2011-02 Procurement Ordinance to address the below issues we have been having with it:

-Updating limits that the Mayor and Department heads can spend before bringing items before the Board. Currently the Mayor is only authorized to spend \$2,000 without Board approval, even if the procurement is within budgeted levels the Board authorized as a whole in the annual Budget Ordinance. Also, Department heads can only spend \$500 without the Mayor’s approval, even for routine purchases

-Updating Procurement limits, currently sealed bid is the recommended procurement method for any purchase or contract over \$10,000. Sealed bids should be reserved for much larger projects or expenditures.

-Authorizing Request for Proposals (RFPs) to be used for contracts instead of competitive sealed bids for contracts. RFPs allow for much more discussion between the Board, Town and vendors, and allows the Board more flexibility than just selecting the lowest bidder. While the Town has been using the RFP method for procurement for a few years now, each Resolution passed to authorize a purchase done with an RFP has to have special language in it expressing how the Board is bypassing the sealed bids method.

-Shifting responsibility from the President onto Staff and the Board as a whole instead of just one person.

-Staff is recommending several sections of the Ordinance 2011-02 be kept and carried over into the new Ordinance including Disposal of Town Property.

Financial Policies:

While the Charter Amendment and Procurement Ordinance will govern the overall powers of different entities of the Town and provide guardrails for Financial Policies, the Policies will be able to provide in-depth detail and procedure on the day-to-day operations of the Town Finance team. The policies are a bit more flexible and will be initially approved, and updated from time to time via a Resolution of the Board.

Timeline: The Board would like, Staff can work with the Town Attorney, Accounting Firm, and Auditing Firm, to draft up these three items for review at the September Board Work Session.

Utility/Telecom Audit

The Town was contacted by a firm Troy & Banks, Inc. cost management and consulting firm specializing in solutions to reduce utility and telecommunication expenses. Their firm reviews utility and telecom bills and finds savings and refunds. They are only paid if savings are found (they receive 29% of the savings), and refunds issued. The Town used this firm back in 2015.

Timeline: If the Board would like/interested, staff can reach back out to the firm and begin the process of getting an agreement before the Board for approval at the September Town Meeting.

Town Reserve Funds/Certificate of Deposit Discussion

The Town has a large sum of its reserve funds in our Maryland Local Government Investment Pool. Staff and the Town's Accounting firm are recommending that the Board consider shifting some of these funds into a more insured Certificate of Deposit (CD) account with either a local or online (higher interest rates) banking institution that is FDIC insured. Currently, the Town has funds in all banks within Town except Bank of America, who has a branch on Water Street.

Timeline: Staff can work with the Town Attorney to draft a Resolution for approval at the August Town Meeting for approval.