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*By Linda Amerighi at 8:58 am, Jan 31, 2024*

Board of Finance- Minutes from Contract Sub-Committee  
1.23.24 3:30pm  
Sharon Town Hall  
Sharon CT 06069

Attendees: Board of Finance Members Jessica Fowler and Michele Pastre; in audience- First Selectman Casey Flanagan and Selectman John Brett

Fowler called the meeting to order at 3:30pm. General discussion was held regarding the questions given to the Board of Selectmen (BOS) last month. Jessica and Michele stressed that the Board of Finance (BOF) does not want to interfere with the Board of Selectmen's review of contracts. The contract between the Green Bank and the Town of Sharon raised questions for the BOF regarding how these contracts are reviewed. Selectman Brett offered that he had followed up with contacts he had made at the CCM Workshop for newly elected officials in January and would send any resources he found to Jessica and Michele. The BOF was informed by the Town Treasurer that the following process is currently followed:

- The BOS must attempt to get three proposals if the expected amount to be spent is over \$20,000
- BOS must request approval from BOF if the amount or the reason for the request is not in the budget
- If BOF approves it as a part of an existing line this can only be done once in the calendar year
- Any approval granted from BOF must go to town vote to be approved

BOF reviewed a set of additional questions that could be put into a checklist and asked of the town attorney in regards to any contract by the BOS:

1. Purpose of contract/expectation (what is to be gained/achieved through the contract)?
2. Are there recent changes in regulations or town policies that need consideration?
3. Who are the other parties and what might they want to achieve from the contract and what are their biases?
4. What are the penalties for non-compliance? If the contract currently exists, is the vendor delivering on their obligations or will expectations need further clarity?
5. Do payment terms include payment triggers and the start date of payments? Ideally, this should outline a full payment schedule.
  - a. Contract should also list the currency, how often payments are made (for example, in a lump sum or installments), and the payment method (for example, via bank transfer).
  - b. Taxes, fees, and interest from incorrect or missed payments will need to be available in the contract.
  - c. Specific language with payment schedule tied to work detail
  - d. Penalty outlined if this work is not completed by the date

6. Each contract should state the initial term, standard notice period and general termination provisions.
  - a. Ideally it should describe the renewal and termination arrangements requirements between party's for full transparency.
7. Given the current global climate, including a force majeure clause is vital to describe the delivery of services or products (or the compensation if this cannot be achieved) if there are delays or restrictions in operations.
8. All data regulations (e.g. GDPR) should consider the location of the parties involved within the agreement. It should be clear who owns the data and restrictions on the use of the data. Additionally, details of consent requirements should be available in the contract. The owner's IP rights of a product, design or idea should be identified, along with the creation of value from any services. The contract must clarify whether the terms change for any consultants vs. full-time staff.
9. Indemnities are helpful in intellectual property, regulation compliance, confidentiality provisions, and loss/destruction of data. Any caveat indemnities should also only be reasonable costs for direct claims.
10. Limitation of liability is a clause for breach of obligations or warranties and the enforcement of indemnities. It should be limited to the contract amount and include any indemnity obligation.
11. Any listed confidentiality needs to be mutual and should include descriptions of the information likely to be disclosed.
12. All variations must include the original contract, and Amendments if applicable, when carrying out a contract review, and it should be in writing and signed by both parties. A variation by email, phone, or in-person is not legally applicable.
13. Local government laws and regulations determine the process for handling legal disputes. The local jurisdiction is essential when creating or editing clauses.

BOF and BOS members discussed how many contracts were signed last fiscal year, how many required review by the attorney and approval by the Board of Selectmen and how many were signed without any needed approval from the Board of Selectmen. First Selectman Flanagan will review and report back on this. This will provide context and an inventory for the contracts the Town currently has.

The Sub-Committee sees the following as next steps:

1. File minutes with the Town Clerk
2. Report to the Board of Finance at the next regularly scheduled meeting
3. The Sub-Committee will wait to receive more information from the First Selectman on the contracts the Town currently holds.

Pastre made a motion to adjourn the meeting. Meeting was adjourned at 4:30pm.

Respectfully Submitted,

Jessica Fowler  
Vice Chair, Sharon Board of Finance