



Wellfleet Selectboard

Note: Start Time of 6pm

The Wellfleet Selectboard will hold a public meeting on **Tuesday, January 18, 2022, at 6:00 p.m.** This meeting will be held via **Zoom Video Conference** in accordance with the temporary suspension and enhancement of the Open Meeting Law requirements by the General Court of the Commonwealth of Massachusetts. Instructions for a Zoom video conference meeting which also allows phone dial-in are given below:

1. Join the meeting hosted in Zoom by using the following link:
<https://us02web.zoom.us/j/85689604806?pwd=blplVFFBZzViQ0xNWkZKMm9iMVdrdz09>
2. Audio, video, chat, and screen sharing functions will be disabled during the public session. Request to participate by using the “raise hand” function. **Meeting ID: 856 8960 4806 | Passcode: 611877**
 - a. Raise hand in smartphone app – touch bottom of your screen and select “more” - hit “raise hand” button
 - b. Raise hand on computer – hit “participants” button on bottom of screen – hit “raise hand” button on bottom of participants panel
 - c. Please make sure you properly identify yourself before speaking, rename yourself by selecting the participants button and choosing “more” (or by holding down on your name on a smartphone app) and selecting “rename” - full, legal names only.
 - d. Please join the meeting on time.
3. You may also listen to the meeting by calling in on a phone to +1 929 205 6099 and enter **Meeting ID: 856 8960 4806 | Passcode: 611877** Landline callers can participate by **dialing *9 to raise their hand.**
4. You may submit questions and comments to the Town using the following email: executive.assistant@wellfleet-ma.gov Comments made during the meeting via e-mail will be sent to Selectboard members AFTER the meeting.
5. Meeting materials are attached to this agenda, available online at Wellfleet-ma.gov. It is recommended that phone participants access materials in advance of the meeting.
6. **Please follow the following general instructions:**
 - a. Keep your phone muted at all times when not talking; no one is allowed to unmute themselves during the meeting.
 - i. Selectboard meetings are NOT interactive. If public comments are allowed that’s all, comments only, not questions.
 - ii. If the Chair is allowing comments during the meeting the number of comments will be limited and may be **no longer than one minute.**
 - b. Do not use speakerphone; do not use Bluetooth devices; mute all background noise.
 - c. Please do not speak until the Chair asks for public comments or questions and you have been recognized by the moderator and unmuted.
 - d. After the business section is complete no public comments are permitted. Future agenda items are from the Selectboard, no one else.

7. It is anticipated that the meeting will be recorded by the Town. Anyone else desiring to record the meeting may do so only after notifying the chair and may not interfere with the conduct of the meeting in doing so.
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I. ***Announcements, Open Session and Public Comments***

Note: Public comments must be brief. The Board will not deliberate or vote on any matter raised solely during Announcements & Public Comments.

II. ***Fin Com***

- A. Review Minutes from December 15, 2021
- B. Vote on Request for Transfer re: Cemetery Commission Vendor bills
- C. Set Meeting agenda for Operating budget reviews in February and March, 2022

III. ***Business***

- A. Presentation of FY 2023 Town & School Budgets
- B. Financial Forecast FY 2023 – FY 2027
- C. Town Administrator & Assistant Town Administrator's Report
- D. Distribution of Draft Comprehensive Financial Management Policies for the Town of Wellfleet

IV. ***Topics for Future Discussion***

V. ***Adjournment***

Wellfleet Finance Committee
Virtual Zoom Meeting
Wednesday December 15, 2021, 7:00 PM
Meeting Minutes

Members Present: Fred Magee; Chair, Jeff Tash, Ira Wood, Bob Wallace, Jen Rhodes, Kathy Granlund, Moe Barocas.

Others Present: Karen Plantier, Charlie Sumner, TA

Chair Magee Called the meeting to order at 7:00 pm

Meeting Minutes: November 23, 2021

Motion: Ira Wood To approve the minutes from November 23, 2021 **Second** Jen Rhodes

Vote 6/0 Approved Minutes for November 23, 2021.

Progress Report on State Town Finance - Charlie Sumner

Charlie Sumner spoke: The Town Treasurer has resigned, and Mary McIssac is now interim Town Treasurer. Reconciliation process should be completed by mid of January 2022. There were over 1000 journal entries corrections. There has been a great deal of errors, not criminality.

Certifying free cash should take place at the end of January 2022. Activity looking for a Town Treasurer. Select Board is currently looking for a Town Administrator. The Town Accountant positions are not actively looking into at this time. Auditors are being postponed into mid-January.

Reserve Fund Transfers:

Motion Jeff Tash FY 2022 Reserve Fund Transfer #2 Property and Liability Insurance \$17,042.82 payment plan **Second** Kathy Granlund **Vote:** 7/0 Approved Transfer of Funds

Motion Kathy Granlund FY 2022 Reserve Fund Transfer #3 Consulting Expenses \$7920 **Second** Moe Barocas **Vote:** 7/0 Approved Transfer of Funds

Review Policies and Procedures:

The operating budget and review phase --Department Heads have been asked to -- in plain English to put in their goals and where there would be significant increases. Asking for new large additional budget request in the front of the budget to explain how much it is and why it's being requested and how it's getting paid. Chair McGee suggested that once the budget book comes out each liaison goes to his or her department, if no issues, they come back to the Board and say No Issues.

Upcoming Meetings January 18, 2022

Joint meeting with Select Board Fire and Police Department. Aim for no more than 2-hour meeting.

Move: Ira Wood To adjourned Meeting **Second:** Moe Barocas **Vote:** 7/0

Chair McGee: At 7:41 closed meeting.

FINANCE COMMITTEE
Finance Committee No. _____

REQUEST FOR TRANSFER from the Reserve Fund per Chapter 40, §M.G.L.

Please note: The Finance Committee can authorize transfers from the Reserve Fund for "extraordinary and unforeseen" expenditures. Other uses of this fund require budgetary transfers by Town Meeting. In order to make informed decisions, the Finance Committee requires that transfer requests be submitted to Committee members prior to the next meeting date and be printed on the agenda. The Committee reserves the option not to vote on requests that fail to meet this criterion.

Budget Item, Article & Transfer No.	Description Dept. # & Code	Present Budget*	Remaining Balance	Transfer Requests
				\$ 2056.00
01-420-5400-585100		\$500	\$500	
* Please Note: The DPW will need the \$500 come Spring 2022				
* Include Special Town Meeting articles and previous transfers as separate amounts. Thank You!				

Describe the extraordinary and/or unforeseen circumstances supporting this request for transfer from the Reserve Fund (please attach additional information if more space is needed):

CEMETERY COMMISSION HAS BEEN INFORMED THAT PAYING
VENDOR BILLS OUT OF OUR "SALE OF PLOTS" IS INAPPROPRIATE.
THIS WILL BE CORRECTED IN FY 23. WE CANNOT ASK THIS
VENDOR TO WAIT UNTIL TOWN MEETING TO GET PAID.

This amount requested will be used for: _____

PAYING JOHN P. FOUGERE, INC., BILL DATED NOVEMBER 30,
FOR INSTALLATION OF CORNER MARKERS ON RECENTLY SOLD PLOTS
SEE ATTACHED

Signed Nancy Vail - CHAIR - CEMETERY COMMISSION 12/15/21
Officer, Department, Commission or Committee Head Date

Budget and Balance verified by Town Accountant _____ Date _____

Approved by Town Administrator _____ Date _____

ACTION OF FINANCE COMMITTEE

Date of Meeting _____ Number Present and Voting _____

Amount Approved \$ _____ Request Disapproved _____

Comments _____

Signed _____ Date _____
Chair, Finance Committee

FY 2023

BUDGET COVER LETTER & CALENDAR

To: Selectboard & Finance Committee
From: Charles L. Sumner, Interim Town Administrator
Subject: Fiscal Year 2023 Town & School Operating Budget
Date: January 13, 2022

Overview

The budget that is enclosed is largely designed to maintain town and school services and programs at the same level as Fiscal Year 2022. The early projections suggests that we will clearly need to consider a significant general override of Proposition 2 ½ to finance this proposed operating budget. I do not have any detailed information on either the Cape Cod Technical High School, Wellfleet Elementary School, or the Nauset Regional District budgets, so I am assuming a 3% increase respectively for projection/planning purposes.

Beginning this year, we are using the budget module that is included in the Vadar accounting system. It looks and feels different, however it offers a number of advantages once the budget is approved by Town Meeting in terms of populating the General Ledger system for the beginning of the new fiscal year.

Local Receipts

The term of Local Receipts represents a broad category of our revenue resources, that include, motor vehicle excise, meals excise, rooms occupancy excise, cannabis excise, penalties & interest on taxes, State P.I.L.O.T funds, other charges, cannabis impact fees, licenses and permit fees, fines & forfeits, investment income, Medicaid reimbursement, and other miscellaneous receipts. The reality for the current Fiscal Year 2022 is that we had, at the last moment, to increase the utilization of these revenues from the sum of \$2,501,484 in FY2021 to \$2,814,295 in FY2022.

The spending plan that was approved at the June 26, 2021, Annual Town Meeting for the FY2022 operating budget exceeded our ability to support the approved budget from a fiscal capacity standpoint. While working to set the tax rate for the current fiscal year with the Massachusetts Department of Revenue we decided to maximize the use of local receipt to avoid calling a Special Town Meeting in the middle of the winter to reduce expenditures. The State allowed us to utilize \$270,000 in new cannabis revenues and an additional \$50,000 in rooms occupancy excise tax and finally to reduce the commitment to Overlay Reserve by \$100,000 to support the approved spending plan.

There has been some conversation about using some of the new cannabis and rooms occupancy excise tax revenues for housing and other municipal purposes, however for now these new revenues have been committed to offsetting costs associated with general government operations for FY2022. There should be some additional substantive growth in both these categories, but we will most likely have to wait until we have demonstrated actuals revenues before the state will allow additional spending.

I am not sure of the history on this matter, but I would suggest that a thorough review of our fees and charges should be initiated at all levels. This should include water and marina, which are subsidized by the property tax levy at the current time. We really need to review these two enterprise funds to properly include support and overhead costs. The ideal situation would be to develop a multi-year plan to increase revenues in an attempt to reduce the burden on the general tax levy.

State Aid

Clearly Wellfleet does not receive a great deal of funding via State Aid, in fact our charges exceeded receipts by \$177,885 in FY2022. One area that is interesting and worth investigating might be School Choice Tuition; these are Wellfleet children that are attending school in other communities. This might be worth discussing with the School Department when we meet with them to review their budget, particularly since there was a \$108,000 increase over FY2021. Otherwise, there is not much that we can do to significantly affect the bottom-line in this area.

Additional information should be available in late January when Governor Baker submits House 1 for the proposed FY2023 State budget. The following is a historical summary of receipts and charges for the Town of Wellfleet.

Town of Wellfleet Assessments and Charges						
Estimated Receipts		FY2022	FY2021	FY2020	FY2019	FY2018
a.	Education/Chapter 70	\$223,660	\$220,111	\$202,109	\$198,959	\$190,588
b.	School Choice Tuition	\$15,641	\$14,000	\$0.00	\$0.00	\$0.00
c.	Unrestricted Gen. Aid	\$64,240	\$62,068	\$62,068	\$60,436	\$58,392
d.	Veteran's Benefits	\$8,807	\$4,132	\$6,575	\$3,658	\$8,397
e.	Exemptions Reim.	\$13,550	\$15,895	\$0.00	\$14,380	\$14,213
f.	State Owned Land	\$12,523	\$11,613	\$8,339	\$9,075	\$9,075
g.	Public Libraries	\$5,141	\$5,345	\$4,697	\$4,468	\$4,396
	Receipts Sub-total	\$343,562	\$333,164	\$283,848	\$290,976	\$285,061
Estimated Charges						

a.	Barnstable County Tax	\$203,775	\$205,398	\$184,754	\$201,547	\$196,631
b.	Mosquito Control Project	\$77,132	\$77,544	\$71,577	\$69,494	\$66,659
c.	Air Pollution District	\$2,808	\$2,915	\$2,855	\$2,967	\$2,898
d.	RMV Non-Renewal	\$3,080	\$3,080	\$2,880	\$3,700	\$3,700
e.	Regional Transit	\$55,340	\$53,990	\$52,673	\$51,388	\$50,135
f.	School Choice Tuition	\$179,312	\$71,000	\$144,301	\$100,966	\$62,274
	Estimated Charges	\$521,447	\$413,927	\$459,040	\$430,062	\$382,297
	Net Adjustment (+/-)	-\$177,885	-\$80,763	-\$175,192	-\$139,086	-\$97,236

SPECIAL REVENUES

As you may recall we had to utilize the sum of \$639,200 at the June 26, 2021, Annual Town Meeting to offset costs for the FY2022 Town Budget. This action was not desirable or recommended however given the crisis the town was facing and late date of Town Meeting we did not have many alternatives with the new fiscal year starting in 4 days.

Lisa Souve, Mary McIsaac, and I have been working to reconcile the fiscal records of the Town for both Fiscal Years 2020 and 2021. This effort has been delayed due to a vacancy in the Town Accountant's Office and the resignation of the Town Treasurer. Despite these many challenges, we intend to complete this task by the end of January 2022. Once this task is completed, we can begin work to file for Free Cash certification with the Massachusetts Department of Revenue. Our first recommendation for the use of Free Cash will be to replenish the Stabilization Fund with those funds used in June of 2021. We believe this step is critical to maintain the Town's AAA bond rating. I will add that the last time the Town certified Free Cash was on June 15, 2020, for July 1, 2019, in the amount of \$823,431.

Additionally, I have added a warrant article in the 2022 Annual Town Meeting Warrant to appropriate the sum of \$200,000 to add to the Town's OPEB (Other Post-Employment Benefits) account. We failed to add any monies to the fund in FY2022, and I would like to reestablish a commitment to this unfunded liability.

Strong reserve balances are very important in terms of our bond ratings, interest earnings as well as for cash flow purposes. These cash reserves are important to the town to avoid a temporary borrowing situation for day-to-day operating expenses, should tax bills be delayed.

TOWN'S OPERATING BUDGET

The budget as included in this booklet includes the Town's various boards, committees, and departments. The Selectboard had instructed that budget be developed, which reflect no greater than the same level of service as provided by the respective boards, committees, or departments in Fiscal Year 2023. Additionally, the Selectboard adopted a series of fiscal management goals that are attached to this letter as an appendix. This budget generally meets that policy directive.

This budget is very similar to budgets throughout the last several years. This budget does not include any new significant positions, services, or programs. There are several areas where we do not have final budget requests, so we have made some educated assumptions within this initial budget document, as follows:

- Employee Wage Increases – We have not included wage adjustment except for the Wellfleet Employees Association (Unit A – 7 employees, Unit B – 22 FT & 5 PT employees & Unit C 3 Call Fire employees), which has a contract that allows for a 3.5% increase.
- Health Care Budget (Estimate)– 10% increase
- Pension/Retirement (Actual) – 3.4% increase
- Medicare (Estimate) – 20% increase
- Property & Liability Insurance (Estimate) – 10%
- Utilities, Fuels & Communication – 0% increase

The proposed town, schools and debt operating budget has increased from the sum of \$24,375,116.62 in Fiscal Year 2022 to \$25,226,678 in Fiscal Year 2023, which represents a 3.5% or a \$851,561 increase.

There are a narrow number of significant budgetary items within the town's budget, which deserve some explanation, as follows:

Salary Adjustments –The town has four collective bargaining units, which will all expire on June 30, 2022, as follows:

1. Wellfleet Police Officers - 13 employees,
2. Teamsters Union Local 59 – 16 employees,
3. Wellfleet Communications Union MASS COPS Local 326B – 5 FT & 2 PT employees,
4. Wellfleet Permanent Fire-fighters Association Union - 19 employees, and,
5. Contracted and Other Personnel – 11 full-time.

We have not included an allowance within the budget for a negotiated cost of living adjustment except for the Wellfleet Employees Association. For

informational purposes, a one (1%) percent general wage adjustment represents approximately a \$65,000 increase in the Town's budget.

We also have many seasonal part-time employees working largely within the Public Works, Beach, Marina, Shellfish and Recreation Departments, covered under the Personnel Bylaw. The Selectboard recently approved a new pay scale for many of these positions to reflect a difficult recruiting environment. These costs have been included in the various budgets.

Fire Department Expenses (220) – The Fire Department expense line item for training increase substantially by approximately \$37,000. In the past when we sent firefighter to the training academy, they would be able to stay in other Fire Department's Station for housing purposes. Unfortunately, this arrangement is no longer viable due to concerns with the COVID pandemic. We are forced to incur costs for hotels for our staff during this important process.

Public Works Department (417) – The DPW expense line has increased significantly from the sum of \$176,200 to \$311,200. There are 2 major factors behind this increase; first we moved the Diesel budget in the amount of \$65,000 from the Transfer Station budget to DPW Expenses. You will not see a corresponding decrease in the Transfer Station budget because our solid waste costs are raising rapidly. Secondly, we created a new contingency line item in the amount of \$50,000 for an emergency/contingency budget.

Property & Liability Insurance (945) – We do not have accurate budgetary estimates from our insurance provider currently for the new fiscal year. However, we do know that we grossly underfunded this expense category in FY2022. We are projecting a 10% increase for FY2023. The following is a summary.

Expended FY2021	Budgeted FY2022	Actual FY202	Proposed FY2023
\$379,759	\$334,000	\$404,000	\$445,100

County Assessments (830) - You will see that the Barnstable County Assessment budget was funded in the amount of \$203,775 in FY2022 and has been eliminated in FY2023. This expense is raised through the State Cherry Sheet and should not be included in the Town Budget. The fact is that we raised this expense twice in FY2022. In the end I will use these surplus funds to offset shortfalls in the current FY2022 operating budget.

Pension/Retirement Expense (911) – This is an actual assessment number from the Barnstable County Retirement Association for FY2023 that reflects a 3.4% increase over the current fiscal year. We are eligible for

an early payment credit of 2% or \$27,500, which we have captured in this budget.

Health Care/Fringe Benefits (914) – This budget category includes all costs for health care for town and school employees. We have adjusted the budget detail to reflect current plan participation by employees; and increased the budget by 10%. We do belong to a large purchasing collaborative called the Cape Cod Municipal Health Group, which includes approximately 52 governmental entities. Actual rate increases should be available by the end of February 2022.

Consulting Expense (196) – This budget has typically been funded in the amount of \$20,000 in the past. I have suggested an increase to \$50,000 in FY2023 to provide some funding should the Town need to utilize the services of Lisa Souve and Mary McIsaac to assist with the transition and training of a new Town Accountant and Town Treasurer.

Facilities/Utilities (417) – The Town of Wellfleet entered into a solar power purchase agreement for 20 years with Ameresco, who will own, operate, and maintain a solar energy facility on the capped landfill at 370 Cole's Neck Road. The system became operational in late December of 2021.

The Town will be receiving annual lease rent in the amount of \$30,000, an annual PILOT payment in the amount of \$11,421, and energy credits on several town facility energy bills that are estimated to be \$20,000 per year. We have level funded this budget account until we fully understand this new plan.

Marina Enterprise Fund – The total Marina Enterprise budget has slightly declined by the sum of \$1,900 over Fiscal Year 2022, and we are showing a net income of \$11,850. However, wage adjustment will ultimately impact this surplus once a collective bargaining is finalized.

Water Enterprise Fund – Total operating expenses for the Water Enterprise fund has increased significantly from \$258,717 in FY2022 to \$408,608 in FY2023 or a \$122,894 increase. The Town subsidy was \$82,214 in FY2022 and will increase to \$240,608 in FY2023. The biggest driver behind this significant increase in the subsidy is debt service costs. The Water Commissioners are currently working with a water rate consultant to review our rate and fee structure; however, this is still in process.

ELEMENTARY, NAUSET & CAPE COD TECHNICAL SCHOOL DEPARTMENTS

We have not received any information yet on the operating budgets for the Wellfleet Elementary School, Nauset Regional School District or the Cape Cod

Regional School District yet, but it's still early. For planning purposes, we are simply using a 3% increase in each of these budgets at the current time.

I did receive a notice from the Cape Cod Regional Technical High School that our enrollment has declined from 16 to 12 students as of October 1, 2021, which will be the basis of the budget allocation for the FY2023 budget.

Also, I received a notice from Nauset Regional School District that district wide enrollment has declined from 877 to 854 students, however Wellfleet's student Middle School enrollment decreased by 19 students and our High School enrollment increased by 11 students.

NEW POSITIONS/PROGRAMS

It is necessary that any significant new programs, services, or personnel needs to be offset by a consistent revenue stream to support them. Most recently in 2021 Wellfleet voters approved a Proposition 2 ½ General Override to fund 2 new Firefighters in this manner.

We do have a few departments that will be requesting additional funding for a variety of new programs or positions. These items consist of the following.

1. Fire Department – Create 2 new full-time Firefighter/Paramedic positions to include training and benefits expenses (\$206,964)
2. Police Department – Create 2 new Police Officer positions to include training and benefit expenses (\$186,759)
3. Shellfish Department:
 - a. Increase compensation for Temporary & Seasonal Staff (\$14,500)
 - b. Create new part-time administrative support position (\$20,490)
 - c. Add new phone expense (\$300)
4. Rights of Public Access Committee:
 - a. This committee has requested an appropriation to pay miscellaneous costs related to securing public access for Wellfleet (\$2,500).
5. Wellfleet Housing Trust:
 - a. The Wellfleet Housing Trust has requested a budget appropriation to pay various costs associated with the new housing trust (\$10,000).

TOWN MEETING WARRANT

I have included the 2nd draft of a warrant for the 2022 Annual Town Meeting, which includes 53 articles at this time. I have also formulated a spreadsheet attachment that we will use to track anticipated costs and sources of revenue to finance each project. The most critical aspect of the proposed warrant

is the large number of capital and special projects included within the warrant. I suspect some of this represents a series of delays due to fiscal constraints over the past few years. The more significant question is how we pay for these items. The total for those items that would have to be raised on the tax levy is \$1,149,700; and the only solution is some type of Proposition 2 ½ Override. I would suggest that we work to reduce these requests to the range of \$750,000 and work towards an Proposition 2 ½ Capital Expenditures Override that would be restricted to future capital/special project type costs.

FINANCIAL FORECAST

Lastly, I have attached a copy of the 1st Draft of the 5-year Financial Forecast for the Town and School operating budgets and warrant articles. At this early stage I would ask that you focus your attention on FY2023. I wanted to use this initial draft to give us an indication of the fiscal challenges that we will face as we prepare for the upcoming April 2022 Annual Town Meeting. I have felt for a long time that we will need to consider a substantive general-purpose Proposition 2 ½ Override to finance the Town and School operating budgets.

**TOWN OF WELLFLEET
FINANCIAL FORECAST
FISCAL YEAR 2023 (Draft No. 1 - 1/13/22)**

1. ESTIMATED REVENUES RESOURCES		FY2022	FY2023	FY2024	FY2025	FY2026	FY2027
A. Property Tax Levy Base:							
1. Property Tax Levy Base		\$17,177,914	\$17,937,060	\$18,909,838	\$19,515,184	\$20,138,316	\$20,779,731
2. Proposition 2 1/2 Tax Levy Increase		\$429,448	\$448,426	\$472,746	\$487,880	\$503,458	\$519,493
3. Property Tax Levy Construction Growth		\$161,618	\$130,000	\$132,600	\$135,252	\$137,957	\$140,716
4. Debt Exclusion Levy Authorization		\$2,764,582	\$2,808,380	\$2,667,961	\$2,534,563	\$2,407,835	\$2,287,443
5. Cape Cod Commission Levy Exclusion		\$105,435	\$108,071	\$110,773	\$113,542	\$116,381	\$119,290
6. Prop. 2 1/2 Override		\$168,080	\$394,352	\$0	\$0	\$0	\$0
Property Tax Levy Sub-total		\$20,807,077	\$21,826,289	\$22,293,918	\$22,786,421	\$23,303,946	\$23,846,673

B. Estimated Receipt Categories:		FY2022	FY2023	FY2024	FY2025	FY2026	FY2027
1. State Aid Receipts		\$343,562	\$346,618	\$349,704	\$352,821	\$355,969	\$359,149
2. Miscellaneous Town Receipt Revenues		\$2,814,275	\$2,814,275	\$2,853,211	\$2,892,926	\$2,933,435	\$2,974,755
Estimated Receipts Sub-total		\$3,157,837	\$3,160,893	\$3,202,914	\$3,245,747	\$3,289,405	\$3,333,904

C. Other Available Funds:		FY2022	FY2023	FY2024	FY2025	FY2026	FY2027
1. Free Cash Funds		\$0	\$644,200	\$0	\$0	\$0	\$0
2. Raise & Appropriate for Misc. Articles		\$32,857	\$0	\$0	\$0	\$0	\$0
3. Fire Department Ambulance Funds		\$93,000	\$375,000	\$0	\$0	\$0	\$0
4. Overlay Surplus Accts		\$0	\$0	\$0	\$0	\$0	\$0
5. Beach Fund		\$694,000	\$676,000	\$689,520	\$703,310	\$717,377	\$731,724
6. Cable Franchise Funds		\$135,370	\$140,000	\$142,800	\$145,656	\$148,569	\$151,541
7. Shellfish Fund		\$37,256	\$26,000	\$5,000	\$5,000	\$5,000	\$5,000
8. Transfer Station/SEMASS Fund		\$400,000	\$400,000	\$408,000	\$416,160	\$424,483	\$432,973
9. Recreation Fund		\$20,000	\$20,000	\$20,000	\$20,000	\$20,000	\$20,000
10. Stabilization Fund		\$614,200	\$0	\$0	\$0	\$0	\$0
11. Waterway Fund		\$2,000	\$2,000	\$2,000	\$2,000	\$2,000	\$2,000
12. Marina Enterprise Revenues			\$593,500	\$608,338	\$623,546	\$639,135	\$655,113
13. Water Enterprise Revenues			\$168,000	\$172,200	\$176,505	\$180,918	\$185,441
14. CPA Estimated Revenues (Added to Tax Bill)		\$696,315	\$738,980	\$757,455	\$776,391	\$795,801	\$815,696
15. CPA Fund Reserves / Projects (Budgeted Reserves)		\$106,582	\$602,800	\$0	\$0	\$0	\$0
16. Debt/Borrowing Warrant Articles		\$3,129,886	\$2,875,000	\$0	\$0	\$0	\$0
Other Available Funds Sub-total		\$5,961,466	\$7,261,480	\$2,805,312	\$2,868,568	\$2,933,282	\$2,999,487

1. GRAND TOTAL ESTIMATED REVENUES		\$29,926,379	\$32,248,662	\$28,302,144	\$28,900,736	\$29,526,632	\$30,180,064
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2. ESTIMATED EXPENDITURES							
A. Operating Budgets - Town & Schools:		FY2021	FY2023	FY2024	FY2025	FY2026	FY2027
1. Town & School Operating & Debt Budgets		\$24,375,117	\$25,226,678	\$25,967,362	\$26,789,766	\$27,651,755	\$28,555,758
2. Water Enterprise Budget		\$285,714	\$408,608	\$418,823	\$429,294	\$440,026	\$451,027
3. Marina Enterprise Budget		\$600,550	\$598,650	\$613,616	\$628,957	\$644,681	\$660,798
Sub-total Operating Budgets		\$24,375,117	\$26,233,936	\$26,999,801	\$27,848,016	\$28,736,462	\$29,667,583

B. Warrant Articles for Annual Town Meeting		FY2022	FY2023	FY2024	FY2025	FY2026	FY2027
1. Misc. Raise & Appropriate Articles		\$32,857	\$1,432,700	\$0	\$0	\$0	\$0
2. Stabilization Fund & Fire Detail Articles (Free Cash)			\$644,200	\$0	\$0	\$0	\$0
3. Collective Bargaining Settlement Articles			\$292,500	\$0	\$0	\$0	\$0
4. Ambulance Receipts Account Warrant Articles		\$10,000	\$375,000	\$0	\$0	\$0	\$0
5. Overlay Surplus			\$0	\$0	\$0	\$0	\$0
6. Cable Franchise Fee Program		\$135,370	\$140,000	\$140,000	\$140,000	\$140,000	\$140,000
7. Shellfish Equipment/Project			\$26,000	\$5,000	\$5,000	\$5,000	\$5,000
8. Waterway/Wetland/Cemetery			\$5,000	\$5,000	\$5,000	\$5,000	\$5,000
9. CPA Projects		\$802,897	\$1,341,780	\$757,455	\$776,391	\$795,801	\$815,696
10. Prop 2 1/2 General Override for Fire & Police Staffing			\$394,352	\$0	\$0	\$0	\$0
11. Debt Exclusion Articles for Fire Engine & Fire Supp. System		\$3,129,886	\$2,875,000	\$0	\$0	\$0	\$0
Sub-total Warrant Articles		\$4,111,010	\$7,526,532	\$907,455	\$926,391	\$945,801	\$965,696

C. Other Special Charges & Assessments		FY2022	FY2023	FY2024	FY2025	FY2026	FY2027
1. State & County Assessments		\$521,447	\$529,853	\$538,470	\$547,301	\$556,354	\$565,633
2. Overlay Reserve for Property Tax Abatements		\$26,563	\$130,000	\$133,250	\$136,581	\$139,996	\$143,496
3. Other Special Charges & Deficits			\$0	\$0	\$0	\$0	\$0
Sub-total Charges & Assessments		\$548,010	\$659,853	\$671,720	\$683,882	\$696,350	\$709,128

2. GRAND TOTAL ESTIMATED EXPENDITURES	\$29,034,137	\$34,420,321	\$28,578,975	\$29,458,289	\$30,378,612	\$31,342,407
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3. PROJECTED SURPLUS OR (DEFICIT*)	\$28,272	(\$2,171,659)	(\$276,831)	(\$557,554)	(\$851,980)	(\$1,162,342)
Adjusted Surplus or Deficit		(\$2,171,659)	(\$276,831)	(\$557,554)	(\$851,980)	(\$1,162,342)
Operating Budget Deficit		\$738,959				
Capital Budget Deficit		\$1,432,700				

Deficit will result in a requirement for either a Prop 2 1/2 Override, new revenue source or budget reductions.

**DOR Tax Recapitulation
Local Receipts "Not Allocated"**

#	Category	FY2019 Actual Receipts	FY2020 Actual Receipts	FY2021 Actual Receipts	FY2022 Estimated Receipts	FY2023 Estimated Receipts	FY2024 Estimated Receipts	FY2025 Estimated Receipts	FY2026 Estimated Receipts	FY2027 Estimated Receipts
1	Motor Vehicle Excise	\$ 525,503	\$ 507,593	\$ 568,764	\$ 568,764	\$ 568,764	\$ 580,139	\$ 591,742	\$ 603,577	\$ 615,648
2	Other Excise									
	a. Meals	\$ 251,288	\$ 251,409	\$ 208,541	\$ 208,541	\$ 208,541	\$ 212,712	\$ 216,966	\$ 221,305	\$ 225,731
	b. Rooms Occupancy	\$ 116,428	\$ 414,712	\$ 854,795	\$ 899,473	\$ 899,473	\$ 917,462	\$ 935,812	\$ 954,528	\$ 973,619
	c. Other	\$ 13,342	\$ 14,491	\$ 13,422	\$ 13,422	\$ 13,422	\$ 13,422	\$ 13,423	\$ 13,424	\$ 13,425
	e. Cannabis		\$ -	\$ 2,678	\$ 270,000	\$ 270,000	\$ 275,400	\$ 280,908	\$ 286,526	\$ 292,257
3	Penalties & Interest on Taxes	\$ 89,282	\$ 92,137	\$ 92,533	\$ 92,533	\$ 92,533	\$ 92,533	\$ 92,533	\$ 92,533	\$ 92,533
4	Payments in Lieu of Taxes	\$ 22,127	\$ 27,152	\$ 27,021	\$ 27,021	\$ 27,021	\$ 27,021	\$ 27,021	\$ 27,021	\$ 27,021
5	Charges for Services - Water	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
6	Charges for Services - Sewer	\$ -	\$ 26,293	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
7	Charges for Services - Hospital	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
8	Charges for Services - Solid Waste Fees	\$ 29,106	\$ 9,880	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
9	Other Charges for Services	\$ -	\$ 125	\$ 37,980	\$ 37,980	\$ 37,980	\$ 37,980	\$ 37,980	\$ 37,980	\$ 37,980
10	Fees	\$ 73,617	\$ 76,385	\$ 73,697	\$ 73,697	\$ 73,697	\$ 73,697	\$ 73,697	\$ 73,697	\$ 73,697
	a. Cannabis Impact Fees	\$ -	\$ -	\$ 4	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
11	Community Impact Short Term Rentals	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
12	Rentals	\$ 79,651	\$ 25,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
13	Departmental Revenues - Schools	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
14	Departmental Revenues - Libraries	\$ 10,405	\$ 4,239	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
15	Departmental Revenues - Cemeteries	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
16	Departmental Revenues - Recreation	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
17	Other Departmental Revenues	\$ 200,784	\$ 221,173	\$ 47,820	\$ 47,820	\$ 47,820	\$ 47,820	\$ 47,820	\$ 47,820	\$ 47,820
18	Licenses & Permits	\$ 342,984	\$ 294,256	\$ 339,698	\$ 339,698	\$ 339,698	\$ 339,698	\$ 339,698	\$ 339,698	\$ 339,698
19	Special Assessments	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
20	Fines & Forfeits	\$ 34,597	\$ 26,570	\$ 67,257	\$ 67,257	\$ 67,257	\$ 67,257	\$ 67,257	\$ 67,257	\$ 67,257
21	Investment Income	\$ 97,054	\$ 69,554	\$ 12,630	\$ 12,630	\$ 12,630	\$ 12,630	\$ 12,630	\$ 12,630	\$ 12,630
22	Medicaid Reimbursement	\$ 55,054	\$ 44,599	\$ 46,149	\$ 46,149	\$ 46,149	\$ 46,149	\$ 46,149	\$ 46,149	\$ 46,149
23	Miscellaneous Recurring	\$ 1,458	\$ -	\$ 92,720	\$ 92,700	\$ 92,700	\$ 92,700	\$ 92,700	\$ 92,700	\$ 92,700
24	Miscellaneous Non-Recurring	\$ 98,590	\$ -	\$ 15,718	\$ 16,590	\$ 16,590	\$ 16,590	\$ 16,590	\$ 16,590	\$ 16,590
25	Total	\$ 2,041,270	\$ 2,105,568	\$ 2,501,427	\$ 2,814,275	\$ 2,814,275	\$ 2,853,211	\$ 2,892,926	\$ 2,933,435	\$ 2,974,755
26	Reduction Adjustment									
27	Reduction Amount									
28	Adjusted Total	\$ 2,041,270	\$ 2,105,568	\$ 2,501,427	\$ 2,814,275	\$ 2,814,275	\$ 2,853,211	\$ 2,892,926	\$ 2,933,435	\$ 2,974,755

**Division of Local Services
Cherry Sheets
Town of Wellfleet**

Receipts:

1 Education:		FY2022	FY2023	FY2024	FY2025	FY2026	FY2027
a.	Chapter 70	\$ 223,660	\$ 225,897	\$ 228,156	\$ 230,437	\$ 232,741	\$ 235,069
b.	School Transportation	\$ -	\$ -				
c.	Retired Teachers Pension	\$ -	\$ -				
d.	Charter Tuition Reimbursement	\$ -	\$ -				
e.	Smart Growth	\$ -	\$ -				
f.	School Lunch	\$ -	\$ -				
g.	School Choice Receiving Tuition	\$ 15,641	\$ 15,641	\$ 15,641	\$ 15,641	\$ 15,641	\$ 15,641
Sub-total		\$ 239,301	\$ 241,538	\$ 243,797	\$ 246,078	\$ 248,382	\$ 250,710
2 General Government:							
a.	Unrestricted General Govt Aid	\$ 64,240	\$ 64,882	\$ 65,531	\$ 66,187	\$ 66,848	\$ 67,517
b.	Local Share of Racing Taxes	\$ -	\$ -				
c.	Regional Public Libraries	\$ -	\$ -				
d.	Urban Revitalization	\$ -	\$ -				
e.	Veterans Benefits	\$ 8,807	\$ 8,807	\$ 8,807	\$ 8,807	\$ 8,807	\$ 8,807
f.	Exempt VBS & Elderly	\$ 13,550	\$ 13,550	\$ 13,550	\$ 13,550	\$ 13,550	\$ 13,550
g.	State Owned Land	\$ 12,523	\$ 12,648	\$ 12,775	\$ 12,902	\$ 13,031	\$ 13,162
Reserved for Direct Expenditures							
h.	Public Libraries	\$ 5,141	\$ 5,192	\$ 5,244	\$ 5,297	\$ 5,350	\$ 5,403
Sub-total		\$ 104,261	\$ 105,080	\$ 105,907	\$ 106,743	\$ 107,587	\$ 108,439
Total Estimated Receipts		\$ 343,562	\$ 346,618	\$ 349,704	\$ 352,821	\$ 355,969	\$ 359,149

Charges:

1 County Assessments:							
a.	County Tax	\$ 203,775	\$ 208,869	\$ 214,091	\$ 219,443	\$ 224,929	\$ 230,553
b.	Essex County Reg Comm	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
c.	Essex County Reg Comm	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Sub-total		\$ 203,775	\$ 208,869	\$ 214,091	\$ 219,443	\$ 224,929	\$ 230,553
2 State Assessments & Charges:							
a.	Retired Employees Health Insur.						
b.	Retired Teachers Health Insur.						
c.	Mosquito Control Projects	\$ 77,132	\$ 79,060	\$ 81,037	\$ 83,063	\$ 85,139	\$ 87,268
d.	Air Polluton	\$ 2,808	\$ 2,808	\$ 2,808	\$ 2,808	\$ 2,808	\$ 2,808
e.	Metropolitan Area Planning Council	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
f.	Old Colony Planning Council	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
g.	RMV Non-Renewal Surcharge	\$ 3,080	\$ 3,080	\$ 3,080	\$ 3,080	\$ 3,080	\$ 3,080
Sub-total		\$ 83,020	\$ 84,948	\$ 86,925	\$ 88,951	\$ 91,027	\$ 93,156
3 Transportation Authorities:							
a.	Boston Metro. Transit District	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
b.	CC Regional Transit Authority	\$ 55,340	\$ 56,724	\$ 58,142	\$ 59,595	\$ 61,085	\$ 62,612
Sub-total		\$ 55,340	\$ 56,724	\$ 58,142	\$ 59,595	\$ 61,085	\$ 62,612
4 Tuition Assessments:							
a.	School Choice Sending Tuition	\$ 179,312	\$ 179,312	\$ 179,312	\$ 179,312	\$ 179,312	\$ 179,312
b.	Charter School Sending Tuition	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
c.	Essex County Tech Sending	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Sub-total		\$ 179,312	\$ 179,312	\$ 179,312	\$ 179,312	\$ 179,312	\$ 179,312
Total Estimated Charges		\$ 521,447	\$ 529,853	\$ 538,470	\$ 547,301	\$ 556,354	\$ 565,633

FY2023 Operating Budget

General Government	Budget FY2021	Actual FY2021	Budget FY2022	Thru 12/31/21 FY2022	Dept. Head FY2023	Town Admin. FY2023	Selectboard FY2023
114 Moderator							
Salaries	225.00	225.00	225.00	-	225.00	225.00	
Expenses	400.00	20.00	400.00	30.00	400.00	400.00	
Total	625.00	245.00	625.00	30.00	625.00	625.00	-
115 Constable							
Salaries	100.00	50.00	100.00	-	100.00	100.00	
Total	100.00	50.00	100.00	-	100.00	100.00	-
121 Audit							
Expenses	22,900.00	22,900.00	40,000.00	-	30,000.00	30,000.00	
Total	22,900.00	22,900.00	40,000.00	-	30,000.00	30,000.00	-
122 Selectboard							
Salaries	12,500.00	12,499.84	12,500.00	4,999.92	12,500.00	12,500.00	
Expenses	4,370.00	1,971.68	4,870.00	382.98	4,800.00	4,800.00	
Total	16,870.00	14,471.52	17,370.00	5,382.90	17,300.00	17,300.00	-
123 Town Administrator							
Salaries	309,626.00	313,102.19	275,600.00	117,755.77	289,603.00	289,603.00	
Expenses	11,250.00	7,973.78	11,900.00	2,238.00	11,900.00	11,900.00	
Total	320,876.00	321,075.97	287,500.00	119,993.77	301,503.00	301,503.00	-
124 General Administration							
Salaries	140,655.83	138,619.64	210,321.02	67,194.39	193,468.00	193,468.00	
Expenses	16,361.00	18,396.71	52,980.00	17,438.81	50,180.00	50,180.00	
Total	157,016.83	157,016.35	263,301.02	84,633.20	243,648.00	243,648.00	-
131 Finance Committee							
Expenses	374.00	373.44	-	-	-	-	
Total	374.00	373.44	-	-	-	-	-
132 Reserve Fund							
Expenses	50,650.00	-	89,500.00	-	89,500.00	89,500.00	
Total	50,650.00	-	89,500.00	-	89,500.00	89,500.00	-
135 Accountant							
Salaries	216,563.00	217,101.66	259,200.00	156,846.67	170,000.00	170,000.00	
Expenses	10,390.00	9,430.13	38,650.00	5,540.00	38,650.00	38,650.00	
Total	226,953.00	226,531.79	297,850.00	162,386.67	208,650.00	208,650.00	-
141 Assessors							
Salaries	137,007.03	137,603.12	143,309.33	65,111.45	148,330.00	148,330.00	
Expenses	55,940.00	55,246.71	53,370.00	2,270.67	56,195.00	56,195.00	
Total	192,947.03	192,849.83	196,679.33	67,382.12	204,525.00	204,525.00	-
145 Treasurer							
Salaries	196,898.43	198,480.95	204,385.00	92,680.61	213,062.00	213,062.00	
Expenses	46,945.00	35,134.73	70,365.00	7,044.65	70,365.00	70,365.00	
Total	243,843.43	233,615.68	274,750.00	99,725.26	283,427.00	283,427.00	-
151 Legal Expense							
Expenses	118,000.00	97,362.78	125,000.00	71,176.60	125,000.00	125,000.00	
Total	118,000.00	97,362.78	125,000.00	71,176.60	125,000.00	125,000.00	-

153 Computerization							
	Expenses	180,500.00	172,723.05	198,500.00	17,632.02	156,500.00	156,500.00
	Total	180,500.00	172,723.05	198,500.00	17,632.02	156,500.00	156,500.00
158 Tax Title							
	Expenses	12,640.00	10,911.68	6,000.00	4,311.67	10,000.00	10,000.00
	Total	12,640.00	10,911.68	6,000.00	4,311.67	10,000.00	10,000.00
161 Town Clerk							
	Salaries	84,311.00	83,314.95	106,854.13	40,168.57	103,596.00	103,596.00
	Expenses	4,830.00	5,674.84	11,020.00	2,737.12	11,520.00	11,520.00
	Total	89,141.00	88,989.79	117,874.13	42,905.69	115,116.00	115,116.00
162 Elections/Registrations							
	Salaries	5,535.00	6,594.95	3,062.00	-	9,478.00	9,478.00
	Expenses	15,055.00	13,131.99	7,776.00	180.14	10,260.00	10,260.00
	Total	20,590.00	19,726.94	10,838.00	180.14	19,738.00	19,738.00
171 Conservation							
	Expenses	4,765.00	4,764.99	3,430.00	478.29	4,160.00	4,160.00
	Total	4,765.00	4,764.99	3,430.00	478.29	4,160.00	4,160.00
174 Planning Board							
	Expenses	435.00	352.91	8,085.00	-	8,000.00	8,000.00
	Total	435.00	352.91	8,085.00	-	8,000.00	8,000.00
176 Zoning Board of Appeals							
	Expenses	1,756.00	1,656.75	306.00	-	300.00	300.00
	Total	1,756.00	1,656.75	306.00	-	300.00	300.00
177 Open Space Committee							
	Expenses	-	-	1,500.00	-	1,500.00	1,500.00
	Total	-	-	1,500.00	-	1,500.00	1,500.00
178 Herring Warden							
	Salaries	2,400.00	2,400.00	2,400.00	-	2,400.00	2,400.00
	Expenses	300.00	-	-	-	-	-
	Total	2,700.00	2,400.00	2,400.00	-	2,400.00	2,400.00
179 Shellfish							
	Salaries	244,341.29	251,084.06	265,030.00	126,171.34	268,997.00	291,794.00
	Expenses	33,698.00	22,183.03	28,560.00	6,576.32	28,560.00	28,560.00
	Total	278,039.29	273,267.09	293,590.00	132,747.66	297,557.00	320,354.00
180 Shellfish Propagation							
	Expenses	6,000.00	1,705.67	6,000.00	1,706.68	6,000.00	6,000.00
	Total	6,000.00	1,705.67	6,000.00	1,706.68	6,000.00	6,000.00
181 Shellfish Advisory Committee							
	Expenses	100.00	-	100.00	-	100.00	100.00
	Total	100.00	-	100.00	-	100.00	100.00
182 Chamber of Commerce							
	Expenses	10,000.00	10,000.00	10,000.00	-	10,000.00	10,000.00
	Total	10,000.00	10,000.00	10,000.00	-	10,000.00	10,000.00

183 Natural Resources Advisory Board							
Expenses	-	-	1,050.00	-	1,050.00	1,050.00	
Total	-	-	1,050.00	-	1,050.00	1,050.00	-
189 Housing Authority							
Expenses	2,200.00	2,186.81	4,800.00	412.19	4,800.00	4,800.00	
Total	2,200.00	2,186.81	4,800.00	412.19	4,800.00	4,800.00	-
195 Town Reports							
Expenses	21,051.00	21,050.32	14,000.00	-	23,100.00	23,100.00	
Total	21,051.00	21,050.32	14,000.00	-	23,100.00	23,100.00	-
196 Consulting Expense							
Expenses	-	-	20,000.00	3,000.00	50,000.00	50,000.00	-
Total	-	-	20,000.00	3,000.00	50,000.00	50,000.00	-
					Mary & Lisa (10 hours a week each)		
General Government (114-196)							
Total	1,981,072.58	1,876,228.36	2,291,148.48	814,084.86	2,214,599.00	2,237,396.00	-

Public Safety	Budget FY2021	Actual FY2021	Budget FY2022	Thru 12/31/21 FY2022	Dept. Head FY2023	Town Admin. FY2023	Selectboard FY2023
210 Police							
Salaries	1,466,893.00	1,456,918.73	1,632,279.00	692,479.62	1,682,011.00	1,682,011.00	
Expenses	138,135.00	131,557.04	182,610.00	86,796.92	209,400.00	209,400.00	
Total	1,605,028.00	1,588,475.77	1,814,889.00	779,276.54	1,891,411.00	1,891,411.00	-
215 Communications Dispatch							
Salaries	377,567.00	373,414.49	395,610.38	170,948.03	409,934.00	409,934.00	
Expenses	29,100.00	27,114.63	37,500.00	16,391.35	46,500.00	46,500.00	
Total	406,667.00	400,529.12	433,110.38	187,339.38	456,434.00	456,434.00	-
220 Fire							
Salaries	1,575,746.92	1,594,145.65	1,972,713.88	890,249.14	1,991,082.00	1,991,082.00	
Expenses	282,244.00	212,685.35	258,587.00	130,499.87	313,192.00	313,192.00	
Total	1,857,990.92	1,806,831.00	2,231,300.88	1,020,749.01	2,304,274.00	2,304,274.00	-
241 Building							
Salaries	212,322.86	212,313.91	224,823.45	97,295.10	230,847.00	230,847.00	
Expenses	5,017.00	4,975.40	9,557.00	3,552.37	10,657.00	10,657.00	
Total	217,339.86	217,289.31	234,380.45	100,847.47	241,504.00	241,504.00	-
291 Emergency Management							
Expenses	4,880.00	4,473.46	5,000.00	-	5,000.00	5,000.00	
Total	4,880.00	4,473.46	5,000.00	-	5,000.00	5,000.00	-
293 Traffic/Parking							
Salaries	2,250.00	2,250.00	2,250.00	-	2,250.00	2,250.00	
Expenses	5,250.00	2,270.00	5,250.00	2,931.65	5,250.00	5,250.00	
Total	7,500.00	4,520.00	7,500.00	2,931.65	7,500.00	7,500.00	-
Public Safety (210-293)							
Total	4,099,405.78	4,022,118.66	4,726,180.71	2,091,144.05	4,906,123.00	4,906,123.00	-

	Budget FY2021	Actual FY2021	Budget FY2022	Thru 12/31/21 FY2022	Dept. Head FY2023	Town Admin. FY2023	Selectboard FY2023
Public Schools							
300 Elementary School							
Salaries	2,791,238.00	1,916,021.26	2,182,615.00	721,969.34	2,238,000.00	2,238,000.00	
Expenses	-	613,849.67	678,258.00	241,773.98	695,215.00	695,215.00	
Total	2,791,238.00	2,529,870.93	2,860,873.00	963,743.32	2,933,215.00	2,933,215.00	-
301 Nauset Regional School District							
Expenses	3,141,399.00	3,141,399.00	3,268,642.00	1,598,199.00	3,366,702.00	3,366,702.00	
Total	3,141,399.00	3,141,399.00	3,268,642.00	1,598,199.00	3,366,702.00	3,366,702.00	-
302 C.C. Regional Technical H.S.							
Expenses	389,505.00	389,504.00	481,979.00	281,099.00	496,438.00	496,438.00	
Total	389,505.00	389,504.00	481,979.00	281,099.00	496,438.00	496,438.00	-
Schools (300-302)							
Total	6,322,142.00	6,060,773.93	6,611,494.00	2,843,041.32	6,796,355.00	6,796,355.00	-
Public Works							
417 DPW Facilities							
Expenses	340,161.00	338,884.19	349,150.00	206,609.81	368,150.00	368,150.00	
Total	340,161.00	338,884.19	349,150.00	206,609.81	368,150.00	368,150.00	-
420 DPW							
Salaries	1,072,887.62	1,062,839.30	1,112,660.02	468,236.15	1,155,635.00	1,155,635.00	
Expenses	164,450.00	134,172.62	176,200.00	41,333.76	311,200.00	311,200.00	
Total	1,237,337.62	1,197,011.92	1,288,860.02	509,569.91	1,466,835.00	1,466,835.00	-
422 Highway							
Expenses	92,900.00	43,783.57	92,900.00	52,653.66	92,900.00	92,900.00	
Total	92,900.00	43,783.57	92,900.00	52,653.66	92,900.00	92,900.00	-
423 Snow & Ice							
Salaries	45,000.00	30,983.89	45,000.00	-	45,000.00	45,000.00	
Expenses	67,430.00	75,363.28	83,180.00	6,851.18	83,180.00	83,180.00	
Total	112,430.00	106,347.17	128,180.00	6,851.18	128,180.00	128,180.00	-
424 Streetlighting							
Expenses	10,600.00	654.69	10,600.00	2,372.64	10,600.00	10,600.00	
Total	10,600.00	654.69	10,600.00	2,372.64	10,600.00	10,600.00	-
433 Transfer Station							
Expenses	345,928.00	345,927.78	351,850.00	122,020.64	337,850.00	337,850.00	
Total	345,928.00	345,927.78	351,850.00	122,020.64	337,850.00	337,850.00	-
434 Recycling Committee							
Expenses	775.00	398.18	1,500.00	191.00	1,500.00	1,500.00	
Total	775.00	398.18	1,500.00	191.00	1,500.00	1,500.00	-
Public Works (417-434)							
Total	2,140,131.62	2,033,007.50	2,223,040.02	900,268.84	2,406,015.00	2,406,015.00	-
Human Services							
510 Board of Health							
Salaries	183,901.39	185,489.98	186,371.73	76,887.22	197,087.00	197,087.00	
Expenses	37,934.00	36,345.00	61,409.00	19,397.69	65,171.00	65,171.00	
Total	221,835.39	221,834.98	247,780.73	96,284.91	262,258.00	262,258.00	-
520 Human Services							
Expenses	270,000.00	205,182.66	305,000.00	31,871.00	305,000.00	305,000.00	
Total	270,000.00	205,182.66	305,000.00	31,871.00	305,000.00	305,000.00	-
541 Council on Aging							
Salaries	228,071.88	216,539.83	238,149.12	105,609.73	239,368.00	239,368.00	
Expenses	52,125.00	21,431.82	53,275.00	13,185.44	53,375.00	53,375.00	
Total	280,196.88	237,971.65	291,424.12	118,795.17	292,743.00	292,743.00	-

543 Veterans Services							
Expenses	31,850.00	31,676.36	33,399.34	23,658.04	33,000.00	33,000.00	
Total	31,850.00	31,676.36	33,399.34	23,658.04	33,000.00	33,000.00	-

Human Services (510-543)							
Total	803,882.27	696,665.65	877,604.19	270,609.12	893,001.00	893,001.00	-

Culture & Recreation

610 Library							
Salaries	337,915.37	343,916.12	386,565.59	150,273.30	397,047.00	397,047.00	
Expenses	145,300.00	111,322.09	145,300.00	56,508.65	149,200.00	149,200.00	
Total	483,215.37	455,238.21	531,865.59	206,781.95	546,247.00	546,247.00	-

630 Recreation							
Salaries	239,735.77	240,882.47	283,555.62	177,858.96	302,208.00	302,208.00	
Expenses	68,179.00	64,284.22	81,929.00	44,138.48	84,221.00	84,221.00	
Total	307,914.77	305,166.69	365,484.62	221,997.44	386,429.00	386,429.00	-

660 Community Services Director							
Salaries	100,935.08	105,572.01	102,345.58	46,089.08	106,555.00	106,555.00	
Expenses	270,471.00	265,833.31	55,750.00	37,484.16	55,750.00	55,750.00	
Total	371,406.08	371,405.32	158,095.58	83,573.24	162,305.00	162,305.00	-

690 Historical Commission							
Expenses	2,600.00	110.00	200.00	-	200.00	200.00	
Total	2,600.00	110.00	200.00	-	200.00	200.00	-

692 Holiday Celebrations							
Expenses	1,200.00	-	1,200.00	-	1,000.00	1,000.00	
Total	1,200.00	-	1,200.00	-	1,000.00	1,000.00	-

696 Cultural Council							
Expenses	2,000.00	2,000.00	2,000.00	300.00	2,000.00	2,000.00	
Total	2,000.00	2,000.00	2,000.00	300.00	2,000.00	2,000.00	-

699 Beaches							
Salaries	364,125.00	369,819.29	365,747.00	250,960.08	377,959.00	377,959.00	
Expenses	66,760.00	49,578.58	59,900.00	27,075.27	69,300.00	69,300.00	
Total	430,885.00	419,397.87	425,647.00	278,035.35	447,259.00	447,259.00	-

Culture & Recreation (610-699)							
Total	1,599,221.22	1,553,318.09	1,484,492.79	790,687.98	1,545,440.00	1,545,440.00	-

	Budget FY2021	Actual FY2021	Budget FY2022	Thru 12/31/21 FY2022	Dept. Head FY2023	Town Admin. FY2023	Selectboard FY2023
Interest Expense							
752 BAN (Bond Anticipated Notes)							
Expenses			478,149.37	14,235.36	495,090.00	495,090.00	
Total	-	-	478,149.37	14,235.36	495,090.00	495,090.00	-
753 Short Term Interest							
Expenses	40,750.00	39,443.68	40,000.00	-	40,000.00	40,000.00	
Total	40,750.00	39,443.68	40,000.00	-	40,000.00	40,000.00	-
756 Interest on RE Tax Refunds							
Expenses	150.00	-	150.00	-	150.00	150.00	
Total	150.00	-	150.00	-	150.00	150.00	-
Interest Expenses (753-756)							
Total	40,900.00	39,443.68	518,299.37	14,235.36	535,240.00	535,240.00	-
Unclassified							
820 State & County Assessments							
Expenses	210,180.00	279,872.00	On Recap	-	On Recap	-	
Total	210,180.00	279,872.00	-	-	-	-	-
830 County Assessments							
Expenses	205,398.00	205,398.00	203,775.00	101,888.00	On Recap	-	
Total	205,398.00	205,398.00	203,775.00	101,888.00	-	-	-
911 County Retirement							
Expenses	1,431,877.00	1,431,823.00	1,522,803.00	761,401.50	1,574,968.00	1,574,968.00	
Total	1,431,877.00	1,431,823.00	1,522,803.00	761,401.50	1,574,968.00	1,574,968.00	-
912 Workers' Comp Insurance							
Expenses	84,000.00	83,027.00	119,025.00	90,815.00	90,100.00	90,100.00	
Total	84,000.00	83,027.00	119,025.00	90,815.00	90,100.00	90,100.00	-
913 Unemployment Compensation							
Expenses	44,037.00	44,037.34	30,000.00	4,650.96	30,000.00	30,000.00	
Total	44,037.00	44,037.34	30,000.00	4,650.96	30,000.00	30,000.00	-
914 Group Health Insurance							
Expenses	1,471,027.00	1,471,361.70	1,463,578.00	658,571.33	1,484,300.00	1,484,300.00	
Total	1,471,027.00	1,471,361.70	1,463,578.00	658,571.33	1,484,300.00	1,484,300.00	-
915 Group Life Insurance							
Expenses	6,500.00	6,487.71	7,750.00	2,321.70	7,750.00	7,750.00	
Total	6,500.00	6,487.71	7,750.00	2,321.70	7,750.00	7,750.00	-
916 Town Share of Medicare							
Expenses	144,226.00	144,225.21	145,946.00	68,432.49	175,000.00	175,000.00	
Total	144,226.00	144,225.21	145,946.00	68,432.49	175,000.00	175,000.00	-
917 Health Insurance Stipends							
Expenses	40,000.00	34,472.10	43,000.00	32,021.78	53,667.00	53,667.00	
Total	40,000.00	34,472.10	43,000.00	32,021.78	53,667.00	53,667.00	-
918 Town Share of Health Savings Account							
Expense	19,000.00	15,500.00	10,000.00	7,500.00	16,000.00	16,000.00	
Total	19,000.00	15,500.00	10,000.00	7,500.00	16,000.00	16,000.00	-
940 Tax Work Off							
Expense	8,450.00	8,411.63	8,500.00	2,613.75	8,000.00	8,000.00	
Total	8,450.00	8,411.63	8,500.00	2,613.75	8,000.00	8,000.00	-
945 Property & Liability Insurance							
Expenses	361,457.00	379,759.21	334,000.00	371,037.21	445,100.00	445,100.00	
Total	361,457.00	379,759.21	334,000.00	371,037.21	445,100.00	445,100.00	-
Unclassified (820-945)							
Total	4,026,152.00	4,104,374.90	3,888,377.00	2,101,253.72	3,884,885.00	3,884,885.00	-
Operating Budget Totals	21,012,907.47	20,385,930.77	22,142,477.19	9,825,325.25	23,181,658.00	23,204,455.00	

Excluded (In Capital Budget)

710 L/T Prin	1,213,342.00	1,213,342.48	1,642,635.00	673,431.00	1,526,451.00	1,526,451.00		
751 L/T Int	346,819.00	346,818.80	590,004.43	299,046.19	495,772.00	495,772.00		
Total	1,560,161.00	1,560,161.28	2,232,639.43	972,477.19	2,022,223.00	2,022,223.00	-	
Operating & L/T P & I	Total	22,573,068.47	21,946,092.05	24,375,116.62	10,797,802.44	25,203,881.00	25,226,678.00	-

FY2023 Marina Enterprise Fund Budget

	Budget FY2021	Actual FY2021	Budget FY2022	Thru 12/31/21 FY2022	Dept. Head FY2023	Town Admin. FY2023	Selectboard FY2023
Revenues							
Charges for Services	345,000.00	413,068.88	345,000.00		360,000.00	360,000.00	
Resale Gas/Diesel	150,000.00	91,863.61	150,000.00		150,000.00	150,000.00	
Dockage	56,000.00	30,132.19	56,000.00		56,000.00	56,000.00	
Winter Storage	4,500.00	6,500.00	10,000.00		10,000.00	10,000.00	
Other Income	12,000.00	10,131.72	5,000.00		12,500.00	12,500.00	
Parking-Seasonal	-	19,420.00	15,000.00		5,000.00	5,000.00	
Refunds	-	-	-		-	-	
Interest Income	-	1,203.64	-		-	-	
Total Revenues	567,500.00	572,320.04	581,000.00	-	593,500.00	593,500.00	-
Other Receipts							
Retained Earnings Transfer	-	-	-		-	-	
Waterways Fund	-	2,000.00	2,000.00		2,000.00	2,000.00	
Beach Fund	-	10,000.00	10,000.00		10,000.00	10,000.00	
Shellfish Fund	-	5,000.00	5,000.00		5,000.00	5,000.00	
Total Other	-	17,000.00	17,000.00	-	17,000.00	17,000.00	-
Total Receipts	567,500.00	589,320.04	598,000.00	-	610,500.00	610,500.00	-
Personnel:							
Salaries & Wages-Full time	146,061.00	161,984.38	160,525.00	57,697.76	164,200.00	164,200.00	
Salaries & Wages- Temp./Seasonal	60,000.00	76,287.00	80,000.00	48,535.64	80,000.00	80,000.00	
Overtime	2,500.00	20,224.06	10,000.00	2,197.12	10,000.00	10,000.00	
Weekends	1,200.00	520.00	2,000.00	-	2,000.00	2,000.00	
Holiday	1,500.00	2,750.40	2,500.00	300.00	2,500.00	2,500.00	
Longevity	1,400.00	3,545.00	-	-	375.00	375.00	
Total Personnel	212,661.00	265,310.84	255,025.00	108,730.52	259,075.00	259,075.00	-
Operating Expenses:							
Electricity	9,000.00	7,845.45	9,000.00	3,683.51	6,500.00	6,500.00	
Propane Gas	4,000.00	2,635.75	4,000.00	248.24	3,000.00	3,000.00	
Repairs & Maint. Services	-	5,940.75	10,000.00	6,147.45	15,000.00	15,000.00	
Service Contract-Copier	-	986.50	300.00	487.50	1,500.00	1,500.00	
Contract Services	40,050.00	34,750.11	15,000.00	24,330.85	15,000.00	15,000.00	
Legal	-	-	1,000.00	-	1,000.00	1,000.00	
Education & Training	200.00	70.00	200.00	289.00	4,000.00	4,000.00	
Telephone	1,500.00	1,493.61	1,600.00	522.60	1,000.00	1,000.00	
Postage	600.00	-	600.00	-	100.00	100.00	
Printing	-	-	200.00	-	100.00	100.00	
Advertising	250.00	762.17	250.00	40.48	200.00	200.00	
Internet	-	-	500.00	-	-	-	
Office Supplies	2,500.00	1,215.15	2,500.00	131.44	2,500.00	2,500.00	
Repairs & Maint. Supplies	12,000.00	5,437.89	25,000.00	2,547.66	25,000.00	25,000.00	
Vehicle Supplies	2,000.00	1,385.30	2,000.00	63.48	2,000.00	2,000.00	
Gasoline/Diesel	2,500.00	270.85	2,500.00	327.63	1,500.00	1,500.00	
Resale Gas/Diesel	140,000.00	105,576.53	140,000.00	76,765.84	140,000.00	140,000.00	
Other Supplies	1,000.00	413.00	2,000.00	248.34	2,000.00	2,000.00	
Uniforms	2,000.00	926.70	3,000.00	359.70	3,000.00	3,000.00	
Travel	200.00	-	200.00	-	500.00	500.00	
Dues/Memberships	500.00	300.00	500.00	250.00	500.00	500.00	
Credit Card Fees	7,000.00	2,768.58	7,000.00	-	-	-	
Insurance	125.00	126.00	125.00	64.57	125.00	125.00	
Small Equipment	1,200.00	592.45	2,000.00	988.99	2,000.00	2,000.00	
Engineering/Marina	20,000.00	14,818.45	-	-	-	-	
Debt-Principal	105,000.00	105,000.00	100,000.00	100,000.00	100,000.00	100,000.00	
Debt-Interest	59,125.00	19,125.00	16,050.00	8,775.00	13,050.00	13,050.00	
Reserve Contingency	-	-	-	-	-	-	
Indirect Costs	55,300.00	55,300.00	-	-	-	-	
Total Operating	466,050.00	367,740.24	345,525.00	226,272.28	339,575.00	339,575.00	-
Total Expenses	678,711.00	633,051.08	600,550.00	335,002.80	598,650.00	598,650.00	-
Net Income (Loss)	(25,968.00)	(43,731.04)	(2,550.00)		11,850.00	11,850.00	

FY2023 Water Enterprise Fund Budget

	Budget FY2021	Actual FY2021	Budget FY2022	Thru 12/31/21 FY2022	Dept. Head FY2023	Town Admin. FY2023	Selectboard FY2023
Estimate Revenue							
Water Use Charges	115,000.00	93,155.17	120,000.00		145,000.00	145,000.00	
Loan Principal Interest	-	89,207.89	80,000.00		23,000.00	23,000.00	
Other Income	49,200.00	625.90	1,500.00		-	-	
General Fund Transfer	119,463.00	119,463.00	84,214.00		-	-	
Total Revenue	283,663.00	302,451.96	285,714.00	-	168,000.00	168,000.00	-
Personnel							
Secretary & Clerk	21,533.00	13,655.66	20,938.00	9,625.79	27,087.00	27,087.00	
Total	21,533.00	13,655.66	20,938.00	9,625.79	27,087.00	27,087.00	-
Operating Expenses							
Utilities-Electric/Telephone	12,000.00	11,202.83	12,000.00	5,015.84	13,000.00	13,000.00	
Contract Services	83,500.00	90,021.04	138,750.00	48,520.42	90,000.00	90,000.00	
Services-Contingency	25,000.00	39,990.32	4,000.00	430.54	35,000.00	35,000.00	
Services-Other	17,050.00	13,372.36	-	790.00	32,000.00	32,000.00	
Supplies	10,600.00	149.95	250.00	35.00	250.00	250.00	
Other Charges	1,927.00	1,343.16	1,450.00	7,413.13	1,750.00	1,750.00	
Total	150,077.00	156,079.66	156,450.00	62,204.93	172,000.00	172,000.00	-
Debt Service							
Principal & Interest	109,031.00	109,031.22	108,326.00	48,911.07	209,521.00	209,521.00	
Total	109,031.00	109,031.22	108,326.00	48,911.07	209,521.00	209,521.00	-
General Fund Costs							
Salaries	5,000.00	796.00	-	-	-	-	-
Total	5,000.00	796.00	-	-	-	-	-
Total Operating Expenses	285,641.00	279,562.54	285,714.00	120,741.79	408,608.00	408,608.00	-

(240,608.00) Subsidy

Vacation Buyout

<u>No.</u>	<u>Dept.</u>	<u>Amount</u>
145	Treasurer	2,996.17
171	Clerk	1,524.95
179	Shellfish	7,520.00
220	Fire	6,441.00
241	Building	2,270.00
510	Board of Health	4,836.99
630	Recreation	5,831.00
660	Community Services	3,994.39
		35,414.50

To: Selectboard

From: Charles L. Sumner, Interim Town Administrator & Rebecca Roughley, Assistant Town Administrator

Subject: Weekly Report

Date: January 14, 2022

Please find enclosed a brief report for this past week, as follows:

1. Building Department – I received a message from Victor Staley that he and Jim Badera have reached a point where they have caught up with the significant backlog with building permit applications. Therefore, Victor's efforts in Wellfleet will start to wind down rapidly. He has agreed to remain as an Alternate Building Commissioner and provide assistance when we have a need. We, of course, are grateful for Victor's service during this critical phase; and very pleased that he will remain available to assist the Town of Wellfleet.
2. Herring River Restoration Project – A large group of state, federal and local officials met again on January 10, 2022, to continue discussions and coordination on funding opportunities and timing/terms for this important project. Special note of thanks to Carole Ridley, who has done an incredible job moving this project along with all of our many partners. We have a follow-up meeting planned for January 19 to discuss the easement issues related to this project.
3. Cape Cod Water Resources Restoration Project – Don Liptak and Steve Spear from CCCD and NRCS, met with staff this past Tuesday to carry out a series of on-site visits to identify projects and priorities for Wellfleet over the next 4 years. Clearly there will be solid opportunities for funding going forward and we will need to develop a plan to ensure access to these funds.
4. Fire Department – Thanks to the efforts of Theresa Townsend at the Wellfleet Fire Department, I applied for a grant in the amount of \$2,500 to purchase Automated External Defibrillator equipment for our first responder vehicles.
5. Town Administrator Search Committee – We have rescheduled and posted a Town Administrator Search Committee meeting for Tuesday, January 18, 2022, at 2 pm. Special thanks to John Wolf for insuring that we didn't create a problem with the Open Meeting Law last week. We have advertised this position and started to receive a few inquiries.
6. 95 Lawrence "Kick off" timeline meeting – Rebecca met with the Developers, Hillary, Elaine, and Harry to discuss next steps for the 95 Lawrence project. A soft timeline was proposed and educating the public was discussed.
7. Hazard Mitigation Plan Update – We are moving right along with Cape Cod Commission to update our plan. Hopefully by early spring we will be scheduling a public forum.
8. Mass Works Grant for Water Main quarterly reporting – Quarterly reporting and payment reimbursement requests were submitted for Q2 – 10/01/2021 – 12/31/2021.
9. Assistant DPW Director preliminary interviews will take place next Tuesday, 1/25.

**Comprehensive Financial
Management Policies for
The Town of Wellfleet of**

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Adoption of these polices will supplant the following (See Appendix II)

[Budget and Financial Management](#)

[Debt Policy](#)

[Grant Revenue](#)

[Investment Policy](#)

[Vehicle Rollover Policy](#)

[Meals Payment Policy](#)

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PREFACE

The policies are intended to outline objectives, provide direction, and define authority to help ensure sound fiscal stewardship and management practices. Each should be periodically reviewed and updated as necessary. With these policies, the Town of Wellfleet, through its Selectboard, Town Administrator, Finance Committee, and employees, commits to the following objectives:

- Sustaining a consistent level of service and value for residents and businesses
- Safeguarding financial integrity and minimizing risk through a system of internal controls
- Ensuring the quality and maintenance of capital assets
- Conforming to general law, uniform professional standards, and municipal best practices
- Preserving the town's AAA credit rating
- Promoting transparency and public disclosure
- Assuring accurate and timely reporting
- Ensure that Wellfleet has the expertise on staff to effectively manage its finances and departmental operations.

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INTRODUCTION

To ensure the growing and continued financial health of the Town of Wellfleet, provide the public with confidence that Town officials seriously respect their responsibility for fiscal stewardship, and demonstrate to bond rating agencies that the Town has thoughtfully prepared for its future, the financial policies outlined below shall guide the Town. These policies are a living tool and shall be reviewed by the Town Administrator and designated staff on an annual basis and updated as necessary, changes may be required to adapt to the needs of the Town.

This document is intended to establish a set of financial management policies and not the procedures that identify the specific methods and actions necessary to carry out these policies. Policies are the terms and conditions which guide and direct the town in making financial management decisions. They are not hard and fast rules so that they may recognize extraordinary situations. Financial management policies are made to support strategies. In many instances, administrative procedures are or will be developed as tools to implement these policies.

Objectives:

The objectives of the Financial Management Policies are as follows:

- A. To guide the Selectboard, Finance Committee, and management staff in evaluating and implementing decisions that have significant impact on the Town.*
- B. To set forth planning and operating principles which require that the cost of government be clearly identified, and that financial risk be minimized.*
- C. To employ balanced and fair fee and user revenue policies that provide funding for required and needed programs.*
- D. To regularly evaluate the Town's financial capacity to meet present and future needs.*
- E. To promote credible and sound financial management by providing accurate and timely information on the Town's financial condition to elected officials, staff, the public and external interests.*
- F. To ensure that current and future capital needs are addressed in a comprehensive and financially sound manner.*
- G. To promote improvement in the Town's credit rating and provide financial resources sufficient to meet the Town's obligations on all municipal debt and other long-term obligations.*
- H. To establish an effective system of internal controls that ensures the legal use of financial resources.*
- I. To promote cooperation and coordination with other governments and the private sector in the financing and delivery of services.*

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A. GENERAL BUDGET POLICIES

A-1 Balanced Budget

Background:

All Massachusetts municipalities are required by state law to prepare balanced annual budgets.

The Government Finance Officers Association (GFOA) notes a true structurally balanced budget is one that supports financial sustainability for multiple years into the future.

Policy:

The Town shall adopt balanced budgets in which current revenues (non-one-time) equal or exceed current expenditures. Expenditures shall be realistically budgeted and estimated revenues shall be conservatively budgeted to allow for unanticipated events. The Town shall present said estimates and assumptions behind revenue estimates along with the balanced budget.

The Town will not balance the budget by using one time or other nonrecurring revenues to fund ongoing expenditures. The Town shall not use budgetary procedures that balance the budget at the expense of future years, such as postponing or deferring payment of expenses already incurred, accruing future year revenues, or rolling over short-term debt to avoid making principal payments.

The Town budget shall also support a financially sound operating position by maintaining reserves for emergencies and providing sufficient liquidity to pay bills on time and avoid revenue anticipation borrowing.

References:

M.G.L. c.44, §31

Achieving a Structurally Balanced Budget, Government Finance Officers Association Best Practice, February 2012

A-2 Local Receipts

Background:

Local Receipts are comprised of, short term occupancy tax, meals tax, parking fees, motor vehicle excise taxes, licenses, permits, and other non-property tax or state aid revenues. Local receipts are more economically sensitive and volatile than the property tax levy. Some of these revenues may be dedicated to specific uses or special purpose funds such as the Beach Fund by previous town meeting votes.

Policy:

Estimated revenues shall be conservatively budgeted to allow for unanticipated events. The Town shall budget for no more than 85% of the previous fiscal year's local receipts. Any funds taken in in excess of the 85% will be in the following year's free cash or as otherwise allocated by previous town meeting votes.

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A-3 Submission of Budget and Budget Message

Background:

Two important principle of public budgeting are clarity and publicity. The GFOA considers the preparation of the annual budget document of great importance in providing detailed financial information and also explaining the key issues that face the community. It is also important to broadly distribute this information to the staff, elected and appointed officials and the general public in order to give them a greater understanding of the operations, financing and key issues confronting the community.

Policy:

The Selectboard's budget proposal to Town Meeting shall provide a complete financial plan of all general and enterprise funds and activities for the ensuing fiscal year, an accompanying budget message, and supporting documents. The budget message from the Selectboard shall explain the proposed budget for all Town agencies in fiscal terms and in terms of work programs. It shall outline the proposed financial policies for the Town for the ensuing fiscal year, describe the important features of the budget, indicate any major differences from the current fiscal year in financial policies, expenditures, and revenues, together with the reason(s) for such changes, summarize the Town's debt position, and include such other material as the Selectboard deems desirable, or the Finance Committee or Town Meeting may reasonably require. The Finance Committee is encouraged to also supply a message to the Selectboard and Town Meeting.

The Town Administrator shall also provide a budget message.

The Town shall work toward the implementation of a budget document that meets the high standards of the Government Finance Officers Association "Distinguished Budget Presentation Award Program."

A-4 Revenue and Expenditure Forecast

Background:

A critical step in maintaining a sound financial plan is the preparation of a multi-year revenue/expenditure forecast(s). Long term financial planning, including revenue and expenditure assumptions, is one of the local government financial practices that credit rating agencies evaluate when assessing municipalities for credit quality.

The Massachusetts Division of Local Services (DLS) states that a financial forecast, or multi-year revenue and expenditure forecast, allows a municipality to evaluate the impact of various government decisions over time.

A forecast will provide decision-makers with an indication of the long-term fiscal impact of current policies and budget decisions, and will allow the Town Administrator and staff, the Finance Committee, and the Selectboard to test various “what-if” scenarios and examine the fiscal impact on future budgets.

Policy:

Each year the Town Administrator, in consultation with the Finance Committee and Selectboard, shall prepare and maintain a five-year Financial Forecast for General Fund and Enterprise Fund operations based on current service levels and current funding sources and including the five-year Capital Improvement Program.

The forecast shall be used as a budget tool to enable Town officials to review operating needs, identify fiscal challenges and opportunities, and develop long-term budgeting policies as part of an overall strategic plan. The forecast shall be designed to provide an outlook on the implications of changes in revenues and expenditures and allow for analyzing multiple scenarios. The forecast will: 1) provide insight into whether the current mix and level of resources in the General Fund are likely to continue to be sufficient to cover current service levels and capital projects; and, 2) identify the resources needed to maintain required enterprise fund operations and 3) estimate the impact on rate payers.

The Town Administrator, in cooperation with the Finance Committee, the Selectboard and Town departments, will review fiscal assumptions every year when the forecast is updated and will use information that is timely and accurate in preparation of the forecast. The forecast and the associated assumptions shall be made available to the Selectboard and the Finance Committee no later than upon submission of the Capital Improvement Plan.

References:

Revenue and Expenditure Forecasting, MA DOR Division of Local Services Best Practice

Financial Forecasting in the Budget Preparation Process, Government Finance Officers Association Best Practice, February 2014

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A-5 Position Control & Vacancies

Background:

A large segment of a town's budget is its personnel costs. Failure to accurately monitor the personnel budget can lead to errors in budgeting, over or under staffing, incorrect grading, and other personnel costs.

Policy:

The Town shall maintain a personnel system that accurately tracks authorized, filled and unfilled positions as well as their funding source. Annual budgets shall be prepared that account for all the costs necessary to cover positions that the Town intends to have during that budget period. The existing staffing structure shall be regularly reviewed and justified by the Town Administrator, Department Heads, and the Personnel Board.

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A-6 Personnel Policies and Labor Contracts

Background:

The Town has approximately **XX** full and part time town and schools employees and a total of **X** unions and associations. For the purposes of these policies, the following definitions shall apply:

- Personnel Policies are the documents that represent the conditions of employment, wages, benefits, hiring, promotions, classifications, and many other categories of employer/employee relations. Collective bargaining agreements, as well as state laws and regulations, take precedence over the terms included in the Personnel Policy.
- Pay and Classification Plans are the schedules that identify employees by job category, job title, and union/non-union status on a typical Grade structure. Pay Plans are the wage schedules that specify pay rates, typically on an annual step or merit system, for each union and non-union position.
- Memorandums of Agreement (MOAs) are the documents that represent agreement between a municipality and the various labor unions. They are created when a municipality and the respective union have reached agreement for a contract period about wages and working conditions.
- Collective Bargaining Agreements (CBAs) are the documents that incorporate the negotiated changes and represent the total agreement that exists between a municipality and a union.
- Side Letters are documents that represent a short term agreement between a municipality and a union.

Policy:

Pay plans and pay rates shall be constantly monitored to ensure compliance with labor contracts, personnel policies, and accuracy. Contract proposals and agreements will be fully costed out to understand the short and long term impact on Town finances. In order to foster transparency in the provision of employment agreements and benefits, the Town will prepare and maintain documents that are publicly available including personnel policies, pay plans, classification plans, memorandums of agreement, collective bargaining agreements, and side letters.

References:

Town of Wellfleet Employee Personnel Manual

Town of Wellfleet Personnel Bylaw

A-7 New Revenue Sources [STUB]

Background: THIS IS A STUB

Policy: New Revenue sources less the expense of collecting and or administering them shall not be applied to the general budget until a policy governing their use is adopted and shall be based on actual receipts. Said policy shall utilize a community engagement process to determine the use of the funds. Until such a policy has been adopted these funds shall follow H-1 Use of One Time Revenue. (Enacting legislation)

A-8 Human Resources [STUB]

B. ENTERPRISE FUND POLICIES

B-1 Self Sufficiency and Rates

Background:

Enterprise Funds provide a separate accounting and financial reporting mechanism for municipal services for which a fee is charged in exchange for goods and services. Under enterprise accounting, the revenues and expenditures of the service are segregated into a separate fund with its own financial statements, rather than commingled with revenues and expenditures of all other government activities. Enterprise accounting allows a community to demonstrate to the public the total cost of providing a service.

Policy:

Enterprise Funds (e.g., Water Funds) shall be fully supported by the revenue from their rates, fees, and other revenue generating operations. The methodology for calculating indirect costs shall be explicitly documented and agreed upon by Town Accountant, Treasurer and Enterprise Department heads.

Rates and fees for enterprise services shall be set at a level to provide for self- supporting enterprise operations, including direct and indirect costs. Capital projects shall be financed from enterprise revenues and grants.

Enterprise Funds shall be reviewed annually by the responsible board, commission, or department head to project revenues and expenditures for the next fiscal year and generate estimates of the current fiscal year and the projections for future years in order to prevent the need for subsidy by the General Fund operating budget. Estimates of capital project costs, debt service, and other liabilities shall be included in this analysis in order to project future enterprise fund budgets and revenues necessary to maintain self-sufficiency.

Specific to the Water Enterprise, changes in the rates and/or rate structure shall be carefully analyzed prior to recommendation and implementation in order to ascertain the short and long term impact on rate payers.

References:

MGL, Chap 44, Sec 53F1/2

Enterprise Funds, MA DOR Division of Local Services Best Practice

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C. RESERVE FUNDS/FUND BALANCE POLICIES

Background:

Formal written policies that establish guidelines for funding and maintaining reserves can help a community sustain operations during difficult economic periods. Reserves can be used to finance unforeseen or emergency needs, to hold money for specific future purposes, or in limited instances, to serve as a revenue source for the annual budget. Reserve balances and policies can also positively impact a community's credit rating and as a consequence, the long-term cost to fund major projects. The discussion of reserves, and the attention of credit rating agencies, is generally focused on free cash, stabilization funds, and, sometimes, overlay surplus.

C.1 Free Cash

Background:

The Division of Local Service's *Municipal Finance Glossary (May 2008)* defines Free Cash as follows:

Free Cash (Also Budgetary Fund Balance) – Remaining, unrestricted funds from operations of the previous fiscal year including unexpended free cash from the prior year, actual receipts in excess of revenue estimates shown on the tax recapitulation sheet, and unspent amounts in budget line-items. Unpaid property taxes and certain deficits reduce the amount that can be certified as free cash. The calculation of free cash is based on the balance sheet as of June 30, which is submitted by the community's auditor, accountant, or comptroller. Important: free cash is not available for appropriation until certified by the Director of Accounts.

Free Cash provides a financial cushion against events such as a sudden loss of a revenue source, an economic downturn, an emergency, or other unanticipated expenditure, non-recurring capital expenditures and uneven cash flow. Free cash can serve as a source for funding capital funds or replenish other reserves.

GFOA notes it is essential that governments maintain adequate levels of fund balance to mitigate current and future risks (e.g., revenue shortfalls and unanticipated expenditures).

DLS recommends that a municipality strive to generate free cash in an amount equal to 3-to-5% of its annual budget.

Policy:

The Town of Wellfleet will eliminate its dependence on free cash to fund the operating budget.

In accordance with the Selectboard policy, the Town will endeavor to maintain a target minimum free cash balance equivalent to 4.5% of the operating budget after town meeting appropriations. Amounts in excess of this 4.5% target will be available for capital or other one-time expenses, while the target amount will be left unspent from year to year.

Free cash will not be depleted in any year, so that the following year's calculation will begin with a positive balance. Conservative revenue projections and departmental appropriations shall be managed to produce excess income and departmental budget turn backs.

Free Cash may be used for certain one-time expenditures, such as major capital projects, emergencies, other unanticipated expenditures, or to replenish reserve funds.

References:

Free Cash, MA DOR Division of Local Services Best Practice.

Appropriate Level of Unrestricted Fund Balance in the General Fund, Government Finance Officers Association Best Practice, September 2015.

Reserve Policies, MA DOR Division of Local Services Best Practice.

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C-2 Stabilization Funds

Background:

A stabilization fund allows a Town to maintain a reserve to enhance the Town's fiscal stability. By state law, it allows a town to set aside monies to be available for future spending purposes, including emergencies or capital expenditures, although it may be appropriated for any lawful purpose.

Under State law, a municipality may establish one or more stabilization funds for different purposes and may appropriate into and from them in any year. Generally, a majority vote of town meeting is required to establish, amend the purpose of, or appropriate money into a stabilization fund, and a two-thirds majority is required to appropriate money from a stabilization fund. Any interest generated by a fund must be added to and become a part of the fund. The total of all stabilization fund balances shall not exceed 10% of a municipality's equalized values.

C-2 A General Stabilization Policy:

The Town shall maintain a General Stabilization Fund of not less than 5% of the prior year's tax levy for the purpose of extraordinary or unforeseen expenditures. Until this target has been reached, a minimum of \$50,000 will be appropriated each year to this fund. The Town will endeavor to leave the stabilization fund balance unspent, except in the event of an emergency or extraordinary or unforeseen events. If it is necessary to draw down from the General Stabilization Fund, the Town will ensure that it is restored through the appropriation of revenues such as free cash and/or one-time revenues.

C-2 B Capital Stabilization Policy:

The Town shall maintain a special purpose Capital Stabilization Fund that shall serve as a funding source for the Town's capital improvement plan, including any associated debt service. The Town shall have a goal to maintain a Capital Stabilization Fund equal to 2% of the prior year's tax levy. Until this target has been reached, a minimum of \$25,000 will be appropriated each year to this fund. Each year, as pay as you go capital is expended from the Fund, the Town shall replenish the fund to the targeted policy goal.

C-2 C Finance Committee Reserve Fund:

Background:

The Town has established an annual budget reserve in accordance with the provisions of Massachusetts General Law, Ch.40 §6. The Wellfleet Finance Committee maintains a reserve fund to that may be used in the event of unforeseen funding needs that may occur in during a fiscal year that cannot be deferred until the next scheduled town meeting. This fund must be re-authorized each fiscal year by town meeting vote.

Policy:

The Finance Committee shall be funded at 0.5% of the Operating Budget. Any unexpended balance at the end of the fiscal year will be closed to expenditure. A request for a Finance Committee Reserve Fund transfer will not be considered if it is contrary to the vote of town meeting, or as a means to increase the operating budget.

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C-2 D Overlay Surplus:

The purpose of the overlay reserve is to offset unrealized revenue resulting from uncollected property taxes, abatements, exemptions, and forgiveness. It can be used for other purposes only after it is determined to have a surplus. Therefore, unlike the other two types of general fund reserves, this policy does not set a consistent, specific funding target for the overlay. Rather, each year as part of the budget process, the Board of Assessors will vote to raise an overlay amount on the annual tax recapitulation sheet based on the following:

- Current balance in the overlay account
- Three-year average of granted abatements and exemptions
- Potential abatement liability in cases pending before, or on appeal from, the Appellate Tax Board (ATB)
- Timing of the next DLS certification review (scheduled every five years)

At the conclusion of each fiscal year, the Board of Assessors will submit to the Town Administrator and Chief Financial Officer an update of the overlay reserve with data that includes, but is not limited to, the gross balance, potential abatement liabilities, and any transfers to surplus. If the balance exceeds the amount of potential liabilities, the Select Board may request that the Board of Assessors vote to declare those balances surplus and available for use in the Town's capital improvement plan or for any other one-time expense.

REFERENCES

[M.G.L. c. 40 §5B](#)

[M.G.L. c. 59 §25](#)

[M.G.L. c. 44 §53F½](#)

Wellfleet Senior Citizen Tax Work-Off Program

Wellfleet Veterans Tax Work-Off Program

DLS Best Practices: [Free Cash](#) and [Special Purpose Stabilization Funds](#)

DLS Form: [Dedication of Revenue to Stabilization Fund](#)

DLS Informational Guideline Releases 08-101: [Enterprise Funds](#), 17-20: [Stabilization Funds](#) and 1723: [Overlay and Overlay Surplus](#)

Government Finance Officers Association Best Practices: [Fund Balance Guidelines for the General Fund](#) and [Working Capital Targets for Enterprise Funds](#)

C-3 Ambulance Fund:

Background:

Wellfleet's Ambulance fund is special purpose fund funded with reimbursements from usage fees. The fund was established by town meeting as a way of moderating the impact of ambulance replacements on the town's budget and to ensure they are replaced in timely fashion. Wellfleet's median age is 57.2(ACS 2019). The initial data releases of 2020 Decennial Census show that Wellfleet's permanent population has grown by 29.7% in the last decade. Wellfleet has a growing high-risk population. The Cape as a whole sees an immense increase in population in the summer month. Wellfleet provides and receives mutual aid to the surrounding towns; the closest emergency room facilities are in Hyannis each leg of the trip takes approximately forty minutes. All these factors underscore the critical need to maintain the availability of Wellfleet's ambulances. It is imperative that Wellfleet is able to replace the ambulance fleet in a timely basis to minimize the down time or be able to quickly replace one or both ambulances in an emergency. Utilizing non-reoccurring sources of revenue to fund operating budgets creates budgetary shocks when those non-reoccurring sources of revenue are not available.

Policy:

The Town shall maintain the Ambulance Fund's balance of not less than the full cost replacement value of two fully outfitted ambulances. The Fire Chief is expected to update this reserve balance each fiscal year to reflect the change in the replacement costs. Until this reserve balance has been reached no funds shall be transferred out of the fund unless they are specifically related to the purpose of the fund. Funds from the ambulance fund shall never be utilized at any level to fund the general operating budget or reoccurring costs. Funds in excess of the reserve balance may be transferred from the ambulance fund at the end of the fiscal year. These funds shall be treated one-time revenues and the use of those funds shall follow H-1 Use of One Time Revenue with a preference to fund items related to public safety or OPEB.

References:

M.G.L. c. 40 §5B

Special Purpose Stabilization Funds, MA DOR Division of Local Services Best Practice.

American Community Survey 2019, US Census Bureau

2020 US Decennial Census Data Release, US Census Bureau

D. CAPITAL PLANNING

Background:

Planning, budgeting and financing for the replacement, repair and acquisition of capital assets is a critical component of any municipality's budget and operation. Prudent planning and funding of capital assets ensures that a municipality can provide quality public services in a financially sound manner. It is recognized that a balance must be maintained between operating and capital budgets so as to meet the needs of both to the maximum extent possible. Adherence to this policy will help the Town meet its capital needs despite limited resources.

Long term capital planning is one of the local government financial practices that credit rating agencies evaluate when assessing municipalities for credit quality. Climate change has recently started to factor in bonding and needs to be taken into consideration for Town Capital Projects.

Policy:

The Town will maintain its physical assets by providing funding in the operating budget to protect its capital investments and minimize future maintenance and replacement costs. The Town will emphasize preventive maintenance as a cost-effective approach to capital reinvestment and replace exhausted goods as necessary. All town buildings will be inspected annually by the Town Administrator, the DPW, the Building, Plumbing, and Electrical inspectors. Individual building components will be assessed and maintained. If it is determined that there needs to a significant project in excess of \$10,000 it shall be incorporated into the Capital Improvement Plan.

To support a systematic acquisition and replacement schedule, the Town Administrator, with the assistance of the DPW Director will annually update and maintain a detailed inventory of all capital assets, which shall include dates built, acquired or last improved, original costs, current conditions, expected and remaining useful lifespans, depreciated values, extent of use, and any scheduled replacement or expansion dates.

D-1 Capital Improvement Plan

Background:

The development of a Capital Improvement Program (CIP) is the mechanism that a municipality uses to identify projects, prioritize funding, and create a long-term financial plan that can be achieved within the limitations of the budget environment. A delay in necessary infrastructure upgrades will frequently require a catch-up period to properly address problems caused by deferred maintenance and replacements.

Climate Change and Resiliency:

Impacts and adaptation to climate change will impact Wellfleet's CIP. Capital projects have a long lifespan as such it is imperative that they be assessed for long term resilience in response to climate change. Wellfleet has identified several municipal capital assets that are vulnerable to climate change. Coastal erosion, shoreline change, and coastal flooding will present unprecedented challenges in the years to come. Low lying roads are in danger of becoming impassable, municipal structures are vulnerable to flooding, coastal parking lots regularly loose parking spaces and Ocean View Drive will be severed at some point in the future in the face of the advancing Atlantic Ocean. As the sea level rises the freshwater lens of the aquifer will rise in response posing the danger of nuisance flooding to low lying areas that are not directly impacted by the seawater itself. The groundwater response also poses a danger to low lying septic systems.

Massachusetts has set a goal of achieving net-zero in greenhouse gas emissions by 2050. Article VII Section 39 of Wellfleet's general bylaws commits the town to these goals and calls for achieving them at the earliest feasible time and that all officers, departments, committees, and representatives of the Town take such measures within the scope of their respective responsibilities and authority as may be necessary and prudent to facilitate such policy and objective.

Policy:

Each year, the Town Administrator shall submit a ten-year capital improvement plan to the Selectmen and Finance Committee by the end of October.

To qualify as a capital expenditure, a proposed capital item or project must have a useful life of five years or more and must exceed \$10,000 in cost. All Officers, Boards, Commissions, and Committees shall, by the end of September of each year, submit to the Town Administrator information concerning all anticipated Capital Projects and Purchases requiring Town Meeting action.

At a minimum the following principals will guide the development of the CIP.

- The Finance Committee shall set their standards for the CIP no later than June 30th of each year.
- The Town Administrator will prepare forms and instructions distribute them no latter than July 30th of each year and shall coordinate development of the capital improvement budget.

- Future operating costs associated with new capital improvement will be projected and included in operating budget forecasts, as appropriate.
- Federal, state, or private grants or loans shall be used to finance those capital improvements that are consistent with the Town's capital improvement plan and priorities, and for which operating and maintenance costs have been included in operating budget forecasts to the maximum, extent possible and prudent. Any conditional requirements of a grant/s shall be evaluated before assumption.
- All assets shall be maintained at a level adequate to protect the Town's capital investment and to minimize future maintenance and replacement costs.
- Equipment replacement and building repair needs shall be projected for the next ten years and will be updated each year. From this projection, a maintenance and replacement schedule will be developed and followed.
- Capital items shall be evaluated for vulnerability to climate change.
- Non-vehicle capital items shall be evaluated for increased energy efficiency with a preference for net zero wherever possible.
- Capital projects shall be prioritized based upon criteria established by the Town and shall incorporate climate change adaptation and resiliency.
- Building Projects shall conform to Wellfleet's Policy on Town Building Projects.
- The estimated costs and potential funding sources for each proposed capital project shall be determined before it is submitted to Selectboard and Town Meeting for appropriation.

References:

Wellfleet Selectboard Fuel Efficient Vehicle Policy, 2021

Wellfleet Town Charter, 2018

Wellfleet Capital Improvement Plan

Wellfleet General Bylaws, Section 39, 2021

Wellfleet Policy on Town Building Projects, 2013

Massachusetts 2050 Decarbonization Roadmap, MA Executive Office of Energy and Environmental Affairs

Massachusetts Acts of 2021 Ch 8 An Act Creating a Next-Generation Roadmap For Massachusetts Climate Policy

Acts of 2008 Chapter 169 An Act Relative to Green Communities

Wellfleet Hazard Mitigation Plan, 2016

Massachusetts DOR/Division of Local Services, Developing a Capital Improvement Program Financial Management Assessment, Standard and Poor's, June 2006.

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D-2 Vehicle Replacement

Background:

As a vehicle depreciates it is subject to more frequent and expensive maintenance. Significant down time for servicing may negatively impact the availability and quality of service. At some point the cost curve for ongoing maintenance and the replacement of a vehicle intersect and replacing said vehicle becomes more cost effective than continuing to maintain it. Municipal vehicles have a variety of uses and different priorities in availability.

Policy:

All vehicles in the town of Wellfleet's fleet shall be regularly assessed for their capability to meet the needs placed on them and their cost effectiveness in doing so. The DPW shall make annual evaluations of each vehicle unless a department has their own internal capabilities of doing so. Vehicles that are used on an infrequent basis shall be evaluated for continued need and if there are more cost-effective arrangements that can be made before a replacement purchased. Borrowing should not be used to fund purchases of vehicles that are routinely replaced. Replacement of vehicles will be reviewed in accordance with Wellfleet's Fuel-efficient Vehicle Policy.

To facilitate these decisions requests for the replacement of Town vehicles must be supported with:

For the Pre-existing Vehicle:

- Description of vehicle being replaced the VIN number, Purchase date of the vehicle.
- Base purchase price of vehicle being replaced.
- Extra assets and cost (radio, lights, plow, etc.).
- Manufacturer's projected lifespan of vehicle being replaced.
- Primary use of the vehicle & Secondary use for example snow removal.
- Projected trade in or auction value of vehicle being replaced as of projected replacement date.
- Maintenance records including:
 - Service performed, date of service performed, service provider if not DPW employee.
 - Mileage, engine hours at date of service.
 - Combined Fuel Economy and type of Fuel
- Projected service requirements over the expected useful life of the vehicle.

For the replacement vehicle:

- Base price quote of replacement.
- Price quote for needed extras such as radios, plow, etc.
- Target date for replacement.
- Combined Fuel Economy and type of Fuel
- Manufacturer's expected normal lifespan of replacement.
- Expected lifespan under Wellfleet conditions.

Comparative costs for:

- Cost of leasing replacement vehicle and terms

- Cost of renting replacement vehicle and terms
- Cost and terms of subcontracting the work

Attachment 1 is a suggested paper form for capturing and reporting the required data. It, or a modified format with the same content, is to be used until a software program can be implemented:

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Asset _____ ID# _____ VIN# _____

Type _____ Condition _____ Extent of Use _____

Model Year _____ Purchase Date _____ Purchase Cost Base _____

Primary Use _____ Secondary Use _____

Mfg's Projected Life Span in local conditions _____ yrs. Anticipated Life Span _____ yrs.

Mfg's expected mpg _____ Trade in or Auction Value as of _____ \$ _____

SERVICE RECORD

Date	Miles, Engine Hours, Fuel Used, Service Provided	Parts \$	Labor \$

PROJECTED SERVICE Next 12 Months (include down time & labor costs)

REPLACEMENT INFORMATION

Target Date for Replacement _____

Base Cost of Replacement \$ _____ Cost of Extras (detail) \$ _____

Quoted by _____ Date _____ Expected life span of replacement _____

What is the expected lease cost over a comparable time period _____

Does the Replacement Vehicle Meet the Town's Fuel-Efficient Vehicle Policy? Y/N

If no why?

Expected Ownership Cost per Year: _____

Additional Notes & Information:

E. CAPITAL IMPROVEMENT FINANCING AND DEBT MANAGEMENT

Background:

Debt management is essential to the overall financial planning of any municipality. Borrowing funds and repaying over a number of years allows the Town to finance essential projects that the town could not afford to pay from current operating dollars and also spread the cost to citizens who will be benefitting from the capital investment.

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E-1 Capital Improvement Financing

It is critical to develop policies and guidelines for the issuance, timing and tax impact of current and future debt. For those projects supported by user fees, it is important to identify the impact on user rates as a result of debt service costs.

For the purpose of these policies, the following definitions shall apply:

- General Fund Debt Service – All town debt service (non-exempt and Proposition 2 ½ exempt) excluding enterprise debt service.
- General Fund Budget – The total amount raised by the town as reported on the tax recapitulation form less the amount reported as enterprise revenue.
- General Fund Debt Service as a % of General Fund Budget – The percentage of the town’s general fund budget that is allocated to debt service for capital investment.
- Water Fund Debt Service – All town debt service for the water system capital projects.
- Water Fund Budget- The total amount of revenues reported on the tax recapitulation form for the water enterprise which is the amount required to provide for a self-supporting water system.
- Water Fund Debt Service as a % of Water Fund Budget- The percentage of the town’s water budget that is allocated to water debt service for capital investment.
- Marina Fund Debt Service – All town debt service for the Marina capital projects.
- Marina Fund Budget- The total amount of revenues reported on the tax recapitulation form for the marina enterprise which is the amount required to provide for a self-supporting marina.
- Pay As You Go Capital Projects – Capital projects that are funded with current revenues (typically tax revenue, grants or user fees) and/or reserves (typically free cash or stabilization funds)

Policy:

Annually, the Town will strive to maintain 3-7% of the operating budget, net of debt, on capital investment allocations. Funding shall be derived from a combination of property taxes and the general and capital improvement stabilization funds. Long-term debt is an appropriate funding source for certain types of projects, while short-term debt and current revenues should be used for assets with short useful lifespans. The Wellfleet capital improvement program (CIP) shall be prepared and financed in accordance with the following policies:

- Outside Funding – State, federal, or private grant funding shall be pursued and used to finance the capital budget wherever possible.
- Debt Exclusion – Large projects, typically in excess of \$1 million, shall be funded by a Proposition 2 ½ debt exclusion vote in order to collect annual revenues sufficient to pay the new debt costs and not impact funds necessary to maintain the annual town and school operating budgets.
- General Fund Debt – Smaller projects may be funded by non- exempt debt with a careful review of the timing and impact on the operating budget while also maintain the town’s investment in its capital infrastructure and equipment.

- **Water Fund Debt** – The Water system operates as an enterprise and all costs (direct, indirect and debt service) shall be covered by water revenues. Projects funded by debt shall have a careful review of the timing and impact on water rates
- **General Fund Debt Service as % of General Fund Budget**– The annual Debt Service requirement should not exceed 15% of the town’s general fund annual revenues (excluding enterprise funds), with a long term target of 10%.
- **Water Fund Debt Service as % of Water Fund Budget** – The annual Water Fund Debt Service requirement should not exceed 20% of the town’s water fund annual revenues

Pay As You Go Local Funding – The first source of capital investment shall be free cash unless the project exceeds \$1 million. Even when a significant balance exists in this account, the Town will be cautious about the amount of funds to be used. After establishing a base of approximately \$300,000, the Town shall increase its capital investment by the same rate a regular budget growth. The Town will use modest amounts from the capital stabilization or other reserves above target levels to fund pay-as-you go capital needs in order to meet urgent needs above the 5 percent Net Capital Investment target. In the event that annual deposits into the capital stabilization fund change significantly, the Town will revisit this capital funding policy.

Debt-Financing/Borrowing

- The term of borrowing for a capital project shall not exceed its estimated useful life.
- The Town will attempt to maintain a long-term debt schedule such that at least 50% of its outstanding principal will be paid within 10 years to 15 years.
- The Town will strive to issue level principal debt such that debt service will decline over the term of the issue as another means to mitigate risk regarding this funding source.
- For any capital item funded by debt, cost of borrowing, including estimated principal and interest by fiscal year shall be projected in report.
- The strategy of utilizing “level debt service” versus “level principal and declining interest cost” shall be analyzed before borrowing is authorized.
- Refunding opportunities will be evaluated annually to consider the possibility of future interest cost savings. The Town will consider a refunding of existing bonds should present value savings equal or exceed 2-6% of the amount of the bonds being refunded.

Capital Project Closeouts

The Town will endeavor to close out all capital projects within six months of completion or discontinuation. When closing out any project with a residual balance, the Chief Financial Officer will work with the Treasurer/Collector to do one of the following:

- If the project was funded by available revenue (tax levy or reserves), reallocate the balance to another capital project(s) or close it to the appropriate fund surplus.
- If the project was bond-funded and has a balance under \$50,000, propose that the Select Board apply the balance to debt service.
- If the project was bond-funded and has a balance over \$50,000, propose that the Select Board apply the balance to another capital project(s) for which the Town may borrow for an equal or greater term than the originally issued loan.

References:

Wellfleet Capital Improvement Plan

Benchmarking and Measuring Debt Capacity, Government Finance Officers Association

[M.G.L. c. 44, § 20](#)

[M.G.L. c. 44, § 33B](#)

Division of Local Services (DLS) Best Practices: [Presenting and Funding Major Capital Projects](#) and [Special Purpose Stabilization Funds](#)

DLS Financial Management Guidance: [Capital Improvement Planning Manual](#) and [Capital Improvement Planning Guide – Developing a Comprehensive Community Program](#)

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E-2 Debt Management

PURPOSE

To provide for the appropriate issuance and responsible use of debt, this policy defines the parameters and provisions governing debt management. Policy adherence will help the Town to responsibly address capital needs, provide flexibility in current and future operating budgets, control borrowing, sustain capital investment capacity, and maintain or enhance the Town's bond rating so as to achieve long-term interest savings.

APPLICABILITY

This policy applies to the budget decision-making duties of the Select Board, Town Administrator, Finance Committee, and Water Commission. Further, it applies to the Treasurer/Collector's debt management responsibilities and Chief Financial Officer's budget analysis and reporting duties.

POLICY

Under the requirements of federal and state laws, the Town may periodically issue debt obligations to finance the construction, reconstruction, or acquisition of infrastructure and other assets or to refinance existing debt. The Town will issue and manage debt obligations in such a manner as to obtain the best long-term financial advantage and will limit the amount of debt to minimize the impact on taxpayers. Debt obligations, which include general obligation bonds, revenue bonds, bond anticipation notes, lease/purchase agreements, and any other debt obligations permitted to be issued under Massachusetts law, will only be issued to construct, reconstruct, or purchase capital assets that cannot be acquired with current revenues.

A. Debt Financing

In financing with debt, the Town will:

1. Issue long-term debt only for purposes that are authorized by state law and qualify for taxexempt bonds and only when the financing sources have been clearly identified.
2. Use available funds to the greatest extent possible to reduce the amount of borrowing on all debt-financed projects.
3. Confine long-term borrowing to capital improvements and projects that cost at least [\$100,000] and that have at least [10] years of useful life or whose useful lifespans will be prolonged by at least 10 years.
4. Refrain from using debt to fund any recurring purpose, such as cyclical vehicle replacements, current operating and maintenance expenditures.
5. Consider using revenue bonds, special assessment bonds, or other types of self-supporting bonds instead of general obligation bonds whenever possible.
6. Set user fees to cover capital costs for the water and golf operations to the extent practicable.

B. Debt Limits

The Town will adhere to these debt parameters:

1. Total debt service, including debt exclusions and any self-supporting debt, shall be limited to [10] percent of general fund revenues, with a target balance of [five to seven] percent.
2. As dictated by state statute, the Town's debt limit shall be five percent of its most recent equalized valuation.

C. Structure and Terms of Debt

The following shall be the Town's guidelines on the structure and terms of all debt:

1. The Town will attempt to maintain a long-term debt schedule such that at least [50] percent of outstanding principal will be paid within 10 years.
2. The term of any debt shall not exceed the expected useful life of the capital asset being financed and in no case shall it exceed the maximum allowed by law.
3. The Town will limit bond maturities to no more than [10] years, except for major buildings, land acquisitions, and other purposes in accordance with the useful life borrowing limit guidelines published by the Division of Local Services (DLS).

D. Debt Issued through the Bond Market

In addition to all the provisions detailed in the policy thus far, the Town will also adhere to the following provisions if it obtains debt funding through the issuance of bonds.

1. Any vote to authorize a borrowing by bond issuance will include an authorization to reduce the amount of the borrowing by the amount of the net premium and accrued interest.
2. The Town will work closely with its financial advisor to follow federal regulations and set time frames for spending borrowed funds to avoid committing arbitrage, paying rebates, fines and penalties to the federal government, and jeopardizing any debt issuance's taxexempt status.
3. To achieve potential debt service savings on long-term, tax-exempt debt through bond refunding the Town will:
 - a) Issue debt with optional call dates no later than 10 years from issue.
 - b) Analyze potential refunding opportunities on outstanding debt as interest rates change.
 - c) Use any net premium and accrued interest to reduce the amount of the refunding.
 - d) Work with the Town's financial advisor to determine the optimal time and structure for bond refunding.
4. To obtain and maintain a favorable bond rating, the Town will:
 - a) Maintain good communications with bond rating agencies, bond counsel, banks, financial advisors, and others involved in debt issuance and management.
 - b) Follow a policy of full disclosure on every financial report and bond prospectus, including data on total outstanding debt per capita, as a percentage of per capita personal income, and as a percentage of total assessed property value.
 - c) Strive to implement and maintain strong management practices and debt ratios favored by rating agencies.

E. Reporting

1. The Treasurer/Collector will report to the Select Board and Town Administrator on the Town's debt status by [September 30] each year.
2. The Chief Financial Officer will include an indebtedness summary as part of a report on receipts and expenditures in Wellfleet's Annual Town Report.
3. The Chief Financial Officer, with the Town's financial advisor, will file the annual audit and official disclosure statement within 270 days of the end of the fiscal year (March 31).

REFERENCES

[M.G.L. c. 41, § 59](#)

[M.G.L. c. 41, § 61](#)

[M.G.L. c. 44, § 4](#)

[M.G.L. c. 44, § 6](#)

[M.G.L. c. 44, § 6A](#)

[M.G.L. c. 44, § 7](#)

[M.G.L. c. 44, § 8](#)

[M.G.L. c. 44, § 17](#)

[M.G.L. c. 44, § 19](#)

[M.G.L. c. 44, § 20](#)

[M.G.L. c. 44, § 21A](#)

[26 USC § 148](#)

DLS Best Practice: [Understanding Municipal Debt](#)

DLS Borrowing Guidelines: [Asset Useful life - Borrowing Limits](#)

DLS Informational Guideline Releases 17-21: [Borrowing](#) and 17-22: [Premiums and Surplus Proceeds for Proposition 2½ Excluded Debt](#)

Government Finance Officers Association Best Practice: [Refunding Municipal Bonds](#)

Internal Revenue Service Guidance: [Arbitrage Guidance for Tax-Exempt Bonds](#)

F. GRANTS MANAGEMENT POLICIES

Background:

DLS recommends analyzing current and future impact of grants on operating budget, capital improvement program, and debt management.

The Government Finance Officers Association recommends that governments establish processes to promote awareness throughout the government that grants normally come with significant requirements.

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F-1 Grant Administration

Policy:

The Town shall ensure that grants are efficiently and appropriately managed by the respective Boards/Commissions/Committee/Departments who receive the grant. Prior to acceptance of a grant award, the Town shall consider any specialized requirement(s) that apply to the general operations of the grant, specific compliance rules, monitoring of other parties (e.g., sub-grantees) that may receive resources from the grant, specialized reporting requirements, and any long term commitments required by the grant, such as the requirement - either as a condition of the grant itself or politically - to financially maintain a program or asset after the expiration of the grant, among other considerations. Effective grant management helps promote the pursuit of grants that are in the Town's best interest and assure the timely reimbursements to optimize cash flow, and to guard against year-end account deficits. As a legal contract, every grant agreement must be fulfilled in accordance with its prescribed terms and conditions, as well as applicable federal, state, and local regulations. Failure in this regard exposes the Town to legal and financial liabilities and compromises future grant funding.

No department shall expend grant funds, until after a fully executed agreement has been accepted and approved for expenditure by the Selectboard (or the School Committee, when applicable). Further, no grant funds shall be used to supplant an existing expense for the purpose of diverting current funds to another use.

The Town Accountant is responsible for consulting with departments on grant budgetary matters, accounting for grants in the general ledger, monitoring grant expenditures in excess of revenues and distributing monthly reports of grant expenditures to departments. The Town Accountant will also maintain a database of all grants and grant activity from inception to closure. The Boards/Commissions/Committee/Departments is responsible to ensure consistency with award requirements and tracking the timeliness of reimbursement requests.

F-2 Grant Impacts on Operating Budget

Policy:

When positions are funded by grants, the current and future impact on the operating budget shall be analyzed. When allowable, the cost for providing benefits, such as health insurance, should be included in the grant budget to cover the Town's cost for providing that benefit.

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F-3 Grant Impacts on Capital Improvement Program

Policy:

When grants are accepted for capital purposes, the Town shall include in its capital improvement program any share of costs associated with the grant and project the Town's share of debt service in its debt management plan. Any future increase or decrease in operating costs associated with the grant should be identified in the Town's revenue /expenditure forecast.

References:

Administering Grants Effectively, Government Finance Officers Association Best Practice, May 2013.

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G. POLICIES REGARDING ESTABLISHMENT OF FEES

G-1 Fees and Charges

Background:

The Government Finance Officers Association recommends that when certain services provided especially benefit a particular group, governments should consider charges and fees on the service recipients. Well-designed charges and fees not only reduce the need for additional revenue sources, but promote service efficiency. Regular and consistent review of all fees is necessary to ensure the costs associated with the delivery of specific services have been appropriately identified and that a municipality is collecting reasonable charges.

The Division of Local Services recommends communities adopt written policies for setting charges and fees. A policy should identify what factors are to be taken into account when pricing services. It should also state whether the community intends to recover the full cost of providing the service or benefit and under what circumstances a charge or fee is set at less than full recovery (e.g., debt exclusion or other subsidy). Such a policy and the fee structure should be reviewed periodically to ensure they remain current, and both should be communicated with the public clearly and openly.

Policy:

Town fees and charges shall be reviewed periodically in relation to the cost of providing the service. The Town will compare rates with nearby communities to determine if the fees established are competitive. The Town may decide against full cost recovery where greater public benefit is demonstrated. Exceptions to full recovery costs include cases where: the fee maximums are established by the General Laws of Massachusetts (MGL) or where a policy decision has been made otherwise.

References:

M.G.L. c.140

Emerson College v. Boston, 391 Mass. 415 (1984).

Costing Municipal Services: Workbook and Case Study, MA DOR Division of Local Services' workbook.

Establishing Government Charges and Fees, Government Finance Officers Association Best Practice, February 2014

Division of Local Services, A Guide to Financial Management for Town Officials, p. 20-21.

Wellfleet Use of Town Property Fee Schedule, 2021

H. USE OF ONE TIME REVENUE OR NEW REVENUES

H-1 Use of One Time Revenue & First Year Receipts of Unencumbered Revenue Source

Background:

The Government Finance Officers Association recommends that communities develop guidance on the use of one-time revenues to minimize services disruptions due to the non-recurrence of these sources.

The first year of a new source of revenue cannot be accounted for in that years' fiscal budget. New sources of revenue are rare. Depending on the enacting legislation there may be encumbrances.

The Division of Local Services states that funding operations with one-time revenues, without identifying future available offsets, effectively postpones difficult decisions necessary to achieve a structurally sound, sustainable spending plan. One-time revenue is usually defined as nonrecurring revenue.

Policy:

The Town shall reduce its use of free cash for the operating budget by at least \$50,000 each year until it ceases using one-time revenue sources for recurring costs in the annual Town operating budget. One-time revenues or the first year of an unencumbered revenue source shall be appropriated to reserve funds, used to fund one-time budget or capital costs, housing support, OPEB, and/or address unfunded liabilities. Encumbered revenues shall be accounted for and used solely on allowable uses.

I. UNFUNDED LIABILITIES

Background:

Defined as “the actuarial calculation of the value of future benefits payable less the net assets of the fund at a given balance date”, unfunded liabilities represent a significant financial obligation for all levels of government across the country. In Wellfleet and other Massachusetts municipalities, the two primary unfunded liabilities are for Pensions and Other Post-Employment Benefits (OPEB).

I-1 Pensions/Retirement

Background:

The Contributory Retirement System is a defined benefit program that is governed by Massachusetts General Laws, Ch.32 and is regulated by the Public Employee Retirement Administration Commission (PERAC), a state entity responsible for the oversight, guidance, monitoring, and regulation of Massachusetts' 105 public pension systems. Funding for this system covers the costs of employees who are part of the Town's retirement system, this does not include teachers, as their pensions are funded by the State. The Town of Wellfleet is a member of the Barnstable County Retirement System and pays an annual pension assessment to the County.

Policy:

In accordance with state law, PERAC regulations and government accounting standards, the Town shall continue to fund this liability in the most fiscally prudent manner, recognizing the fact that the adoption of a funding schedule is, by law, the responsibility of the County retirement board.

References:

M.G.L. c.32

I-2 Other Post- Employment Benefits (OPEB)

Background:

OPEB consists primarily of the costs associated with providing health insurance for retirees and their spouses. The Government Accounting Standards Board (GASB) issued Statements No. 43 and No. 45 in 2004 to address the OPEB issue. GASB 43 required the accrual of liabilities of OPEB generally over the working career of plan members rather than the recognition of pay-as-you-go contributions, while GASB 45 required the accrual of the OPEB expense over the same period of time. The reporting requirements of GASB 43 and 45 include disclosures and schedules providing actuarially determined values related to the funded status of OPEB. This requires that the accrued liabilities be determined by a qualified actuary using acceptable actuarial methods.

Policy:

While there is currently no legal requirement to fund OPEB, the Town recognizes the importance and financial advantage of initiating early and regular funding for these long-term obligations. The Town will endeavor to appropriate \$150,000 or more per year into the irrevocable trust established under MGL c. 32B, §20 until such a time that OPEB obligations are fully funded.

This policy encompasses OPEB-related budget decisions, accounting, financial reporting, and investment. It applies to the Selectboard and the Finance Committee in their budget decision making duties, and it also applies to the OPEB-related job duties of the Treasurer and Town Accountant. Careful consideration shall be given to identifying the investment vehicle that offers the best rate of return in the safest possible environment.

OPEB Funding Strategies

To address the OPEB liability, decision makers will annually analyze a variety of funding strategies and subsequently implement them as appropriate with the intention of fully funding the obligation. The Town will derive funding for the OPEB trust fund from taxation, free cash, and any other legal form. Achieving full funding of the liability requires the Town to commit to funding its annual required contribution (ARC) each year, which is calculated based on actuarial projections. Among strategies to consider for funding the ARC:

- Transfer unexpended funds from insurance line items to the OPEB trust fund.
- Appropriate amounts equal to the Town's Medicare Part D reimbursements.
- Determine and commit to appropriating an annual portion of free cash.
- Appropriate an annually increasing percentage of yearly revenues.
- One time sources of revenue may be used to contribute to OPEB
- Once the pension system is fully funded, on a subsequent annual basis, appropriate to the OPEB trust fund the amount equivalent to the former pension-funding payment or the ARC, whichever is less.

References:

Ryan Curley 01.13.22 beta Comprehensive Financial Management Policies for the Town of Wellfleet

MGL c. 32B, §20

Statement No. 43, Reporting for Postemployment Benefit Plans Other Than Pension Plans, Governmental Accounting Standards Board, April 2004.

Statement No. 45, Accounting and Financial Reporting by Employers for Postemployment Benefits Other Than Pensions, Governmental Accounting Standards Board, June 2004.

GASB Statements 43 and 45 on Other Postemployment Benefits, Governmental Accounting Standards Board.

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J. RISK MANAGEMENT POLICIES

J-1 Risk Management Program

Background:

In recognition that during daily operations, a municipality is constantly exposed to potential impact of property loss, personal injury, and liability, the Government Financial Officers Association recommends that governments develop a comprehensive risk management program that identifies, reduces or minimizes risk to its property, interests, and employees. Costs and consequences of harmful or damaging incidents arising from those risks should be contained. As a coastal town Wellfleet will be bearing significant risks relative to climate change. Critical infrastructure is at risk, coastal erosion is accelerating along with sea level rise, the Gulf of Maine is one of the fastest warming water bodies globally and ocean acidification presents a real long-term risk to Wellfleet's shellfish industry.

Policy:

The Town's insurance programs shall be aimed at covering the potential impact of the types of property loss, personal injury, and liability the Town is exposed to on a regular basis.

The Town shall develop and maintain a risk management program to protect the Town against the financial consequences of accidental loss of property, liability, fraud and personal injury to the extent possible through effective prevention and loss control policies and practices.

The risks posed by climate change shall be incorporated into Wellfleet's risk management programs.

References:

Creating a Comprehensive Risk Management Program, Government Finance Officers Association Best Practice, March 2009.

K. ACCOUNTING/AUDITING/FINANCIAL REPORTING POLICIES

K-1 Annual Audit

Background:

The objective of an audit is to obtain independent assurance that a community's year-end financial statements are reliable, accurate, and complete. An audit also helps to ensure that financial checks and balances are in place to protect public assets. Consequently, it can be a powerful tool by which a community can build taxpayer confidence in government operations.

The Government Finance Officers Association (GFOA) recommends that communities engage the same auditor by entering into multiyear agreements, or a series of one-year contracts, for a term of at least five years. A multiyear agreement allows for greater continuity and enables a new auditor to spread initial start-up costs over multiple years, potentially reducing costs in the initial years.

However, after this term, the GFOA recommends a full, competitive selection process and a rotation of auditors after each multiyear agreement, provided there is adequate competition among qualified auditors. Contracting with a new audit firm not only brings a fresh perspective, but it also reflects good practice.

Where competition is limited, participation of the current auditors is acceptable, assuming their past performance has been satisfactory and conformed to industry standards. In the event the Town chooses to remain with an audit firm, it is advisable to rotate the audit manager on a regular basis.

Policy:

The Town will utilize accounting practices that best conform to generally accepted accounting principles (GAAP) as set forth by the Governmental Accounting Standards Board (GASB).

The Town shall have an independent outside audit performed by a certified public accountant each year. The Selectboard shall provide for such an audit by an accountant or a firm of accountants, who have no personal interests, direct or indirect, in the fiscal affairs of the Town government or of any of its officers or employees. The Town will require that each year, a Management Letter be provided as part of the independent public accounting firm as a companion document to the annual audit. The Town will either re-advertise for auditing services every five years or ensure that there is a regular rotation of audit managers within a particular firm if it elects to stay with a given audit firm. The Town will strive to have the annual audit completed by the end of November. The Audit and management will be made available to the Selectboard, the Finance Committee and the public at large.

References:

Wellfleet Town Charter: Ch 7 s7: Annual Audit

Annual Audits, MA DOR Division of Local Services Best Practice.

Ryan Curley 01.13.22 beta Comprehensive Financial Management Policies for the Town of Wellfleet

K-3 Monthly Reporting

Background:

Monthly reporting helps a community to determine whether sufficient funds are available to cover current obligations, any surplus can be invested, or shortfall exists requiring temporary borrowing. It enables the Town to take prompt management action if fiscal problems are indicated or adjust spending behavior to meet financial challenges.

Policy:

The Accounting Department shall produce and distribute to Department heads monthly budget-to-actual reports. If financial problems are indicated, the Accountant will review with the Town Administrator a monthly report of revenues and expenditures at the line item level. The monthly budget to actual reports shall also be provided to the Selectboard and the Finance Committee.

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K-4 Cash Collections

Background:

One of a government's functions is to collect taxes and other revenues. The process involves many actors including the Treasurer/Collector's office, accounting office, legal counsel, tax assessor, other departments or agencies, other governments at the state and/or local level, commercial banks, and private collection agencies.

Policy:

The Town shall collect all revenue using fair and consistent methods, exercising all powers provided to it under law.

On or before September 1st, the Town shall commence tax title proceedings against all properties that owe property taxes to the Town.

The Treasurer/Collector shall establish and maintain reliable record keeping systems and enforce a timely collections process. All amounts committed must be supported with a warrant and a detailed listing of all amounts due. All monies received should be turned over to the Treasurer/Collector's office at least weekly so they may be deposited in the bank in a timely manner.

The Treasurer/Collector shall aggressively pursue the collection of delinquent accounts and with assistance from the Deputy Collector and other Town officials to pursue collection of outstanding real estate taxes, personal property taxes, excise taxes and fines. The execution of a systematic and deliberate program to collect taxes owed is intended not only to capture revenue, but also to establish a clear policy that tax delinquents will be aggressively pursued. The Treasurer/Collector shall execute in a timely manner collection remedies such as issuance of demands immediately after bills become past due and initiate tax taking shortly afterwards to increase the rate of collection of municipal monies, thereby assisting in the financial stability of the Town.

References:

Wellfleet General Bylaws, Article III Town Affairs, s11 & s13

Wellfleet General By-Laws, Tax Title Payment Plans

Revenue Collection, Government Finance Officers Association Best Practice.

K-5 Reconciling Cash and Receivables

Background:

Two of the largest assets for a community are cash and receivables. Information pertaining to these is kept by the Treasurer/Collector, and the Accountant. A Treasurer is the custodian of the community's revenues, tax titles, and tax possessions, while a Collector keeps listings of outstanding receivables due to the community, and an Accountant is responsible for maintaining the accounting records. Prompt and frequent reconciliations between these offices are essential in order to maintain control and ensure checks and balances are in place.

Policy:

Within thirty days after the end of each month, the Treasurer/Collector shall internally reconcile the cashbook to all bank statements, and the Treasurer/Collector shall internally reconcile all receivable balances with the receivable control. The results of these activities shall be forwarded to the Accountant's office and compared to the general ledger records. If differences are determined, the Treasurer/Collector and Accountant shall reconcile the variances (e.g., missing information, errors, and timing differences).

The Town shall reconcile revenues and expenditures for each fiscal year within one to two months of the end of the fiscal year.

References:

Treasurer's Manual 2009 and Collector's Manual 2008: *Massachusetts Collectors & Treasurers Association*
Reconciling Cash and Receivables, MA DOR Division of Local Services Best Practice February 2016

K-6 Cash Flow Forecasting and Budgeting

Background:

The purpose of cash flow forecasting is to determine whether sufficient funds are available to cover current obligations, any surplus can be invested, or if any cash shortfall exists which may require temporary borrowing.

The Division of Local Services recommends maintaining a cash flow budget to forecast investment opportunities or borrowing needs. Major revenue sources like property taxes and state aid are generally received in large, lump sums at specific points in the fiscal year and do not necessarily coincide with expense patterns, which often results in cash surpluses or shortfalls during certain periods of the year.

The Government Finance Officers Association also recommends cash flow forecasting as a best practice. When used as a cash management guide, it can lead to the optimized use of funds as well as insure sufficient liquidity.

Policy:

The Treasurer/Collector will develop a cash flow forecast for the upcoming fiscal year after approval of the annual budget and before July 1 each year. This shall be provided by the Town Administrator to the Selectboard and Finance Committee.

References:

Cash Flow Forecast in Treasury Operations, Government Finance Officers Association Best Practice, February 2011.

K-2 Comprehensive Annual Financial Report

Background:

A Comprehensive Annual Financial Report (CAFR) is a set of Government financial statements comprising the financial report of the municipal entity that complies with the accounting requirements promulgated by the General Accounting Standards Board (GASB). GASB provides standards for the content of a CAFR in its annual updated publication *Codification of Government Accounting and Financial Reporting Standards*. A CAFR is compiled by the municipal accounting staff and audited by an external Certified Public Accounting firm utilizing GASB requirements. It is comprised of three sections: Introductory, Financial, and Statistical. It combines the financial information of fund accounting and Enterprise Authorities accounting.

Policy:

The Town shall work towards the preparation of a Comprehensive Annual Financial Report (CAFR) that meets the criteria established by the GFOA's Certificate of Achievement in Financial Reporting Program. This program encourages the preparation of a comprehensive report that goes beyond the annual audit report and presents information that enhances government transparency and disclosure.

K-7 Reconciliations

Background:

Reconciliations are an essential tool to identify errors or issues in a timely fashion. In order them to be effective they must be done on a regular and timely basis. To ensure transactions are in balance, mitigate fraud, safeguard general ledger accuracy, and maximize certifications of free cash, financial officers must conduct regular reconciliations of their accounting records, and these must be reconciled to the general ledger. Although each financial officer is responsible for maintaining independent records of his or her office's transactions, they are also collectively accountable for the overall accuracy of Wellfleet's financial records.

Policy:

Town Treasurer in concert with the Collector, and other finical staff preform monthly reconciliations of all funds under their purview. Corrections shall be documented and made in a timely fashion. Significant discrepancies that are unresolved shall be brought to the attention of the Town Administrator, the Finance Committee and the Selectboard immediately along with a plan to resolve them. Causes shall be identified, documented, and remedial actions shall be undertaken to prevent such discrepancies in the future.

K-7A Cashbook Reconciliation

Policy:

To ensure an accurate accounting of all revenue activity, the Treasurer/Collector will maintain a cashbook that reflects up-to-date and accurate information for all cash and assets. To do so, the Treasurer/Collector will make certain that all cash receipts, disbursements, transfers, and interest are recorded in the cashbook within [two business days] of each transaction and will reconcile cashbook accounts to their corresponding bank accounts within [five days] of receiving bank statements. These will include zero-balance vendor and payroll bank accounts, whose balances must equal the outstanding checks at the end of any month.

The Treasurer/Collector will identify all reconciling items, including deposits in transit, bounced and voided checks, and discrepancies between the cashbook and financial institutions, and will correct them when appropriate. The Treasurer/Collector will then forward the reconciled cashbook balances in an Excel report to the Chief financial Officer and, when needed, an additional Schedule of Receipts for any adjustments made.

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K-7B Payroll Withholdings Reconciliation

Policy:

Payroll withholdings include federal and state taxes, child support and other wage assignments for legal obligations, deferred compensation, optional insurances, association dues, and other employer-sponsored options, which are all itemized in separate general ledger accounts. At the conclusion of each pay cycle, the Treasurer/Collector forwards a summary report of employee and employer withholdings to the Chief financial Officer to be recorded in the general ledger.

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K-7C Accounts Receivable Reconciliation

Policy:

Accounts receivable are outstanding monies owed to the Town, whether from committed bills (i.e., taxes, excises, water charges) or from uncommitted department invoices (e.g., police details). To ensure these assets are accounted for and balanced, the Treasurer/Collector and any department head with accounts receivable duties (each referred to here as “record-keeper”) will make certain that all cash receipts are recorded timely, maintain a control record for each receivable type and levy year, and verify the detail balance agrees with the receivable control. The receivable control is a record of original entry in which the record-keeper reduces a commitment according to collections, abatements, and exemptions and increases it by refunds issued. To maintain accuracy, the record-keeper must review the detailed list of receivables, identify credit balances as prepaid amounts or investigate them for possible correction, and reconcile the control balance to the detail. Whenever these records do not agree, the record-keeper must determine the discrepancy by:

- Verifying the various transactions (commitments, abatements, refunds, chargebacks) against their supporting documents.
- Comparing the total amount of posted payments to the turnovers accepted by the Treasurer/Collector
- Determining whether any revenues were incorrectly recorded as payments to the commitment, such as interest and fees.

The record-keeper will forward a copy of the internally reconciled accounts receivable balances to the Chief financial Officer. For the Treasurer/Collector, this is the Schedule of Outstanding Receivables.

K-7D Special Revenue Reconciliation

Policy:

Governed by various state statutes, special revenue funds are specific revenues segregated from the general fund and earmarked for specific purposes. They include gifts and grants from governmental entities, individuals, and organizations; revolving funds; and receipts reserved for appropriation. To ensure these funds are balanced, department heads with responsibility for special revenue funds will verify that all revenues turned over to the Treasurer/Collector, expenditures authorized for payment by the Chief financial Officer, and properly authorized transfers are recorded for the period. These department heads will subsequently provide the Chief financial Officer with quarterly reconciliation reports on the funds.

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K-7E General Ledger Reconciliation

Policy:

To achieve the core objective of maintaining the general ledger's integrity, the Chief financial Officer must regularly reconcile it with the separately maintained accounting records outlined in Sections A – D above. In addition, it is the Chief financial Officer's responsibility to review all accounts analytically from time to time for reasonableness and to identify unusual activity.

The general ledger's cash accounts should reflect only those transactions reported to the Chief financial Officer by the Treasurer/Collector, so that in theory, the general ledger should be in balance with the cashbook. However, errors may occur due to omitting transfers or transactions or applying them in the wrong amounts or to the wrong accounts. Whenever the Chief financial Officer identifies a discrepancy between the general ledger and the cashbook, the following steps must be taken in conjunction with the Treasurer/Collector to determine the cause:

- If the total amount of revenue reported in the cashbook does not agree with the amount recorded in the ledger for that month, the Treasurer/Collector must verify that the monthly
- Treasurer/Collector's Schedule of Receipts agrees by detailed amount and classification with the cashbook and correct any errors.
- Compare the total amount of warrants paid during the month as recorded in the cashbook with the total recorded in the ledger for the same period. The last warrant paid must be the last one recorded; otherwise, a timing problem will create a discrepancy.
- If the records still do not agree, the Treasurer/Collector and Chief financial Officer must trace each entry to the ledger until the variance is determined.

All receivable records must also be reconciled to the Chief financial Officer's general ledger. If a given receivable control has been internally reconciled, any discrepancy must be in the general ledger, so the Chief financial Officer must:

- Review the commitments, charges, payments, abatements, refunds, reclassifications, and adjustments in the general ledger, as appropriate for the particular control.
- Verify whether receipts are recorded to the correct type and levy year.
- Verify the dates that activities were recorded.

The Chief financial Officer's receivable accounts in the general ledger should reflect the transactions provided by each particular record-keeper. Therefore, the above steps must resolve any discrepancies between the receivable control and the ledger. If they do not, the record-keeper and Chief financial Officer must trace each ledger entry until they determine the reason for variance.

The Chief financial Officer will verify that all special revenue fund reconciliations match the general ledger. The responsible department head and Chief financial Officer must research any discrepancy and correct the record(s) as appropriate.

K-7F Time frames and Documentation

Policy:

Employees subject to this policy will complete reconciliations of their internal accounting records early each month so that subsequent reconciliations to the general ledger take place no later than [the 15th] of the month following the one being reconciled. At each quarter-ending month, the Chief financial Officer will extend the cash reconciliation process to individually reconcile every general ledger account that directly corresponds to a specific bank account (e.g., stabilization funds, trust funds, guarantee bond deposits).

Each general ledger reconciliation will be documented by a worksheet cosigned by the two parties. If, at that time, any variance has not yet been fully resolved, this must be noted, along with a work plan and timetable for resolution. The Chief financial Officer will submit the collective set of reconciliation worksheets to the Town Administrator at each month's end.

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K-7G Audit

Policy:

All reconciliation activities are subject to audit by Wellfleet's independent auditor.

References:

Treasurer's Manual, Massachusetts Collectors and Treasures Association, 2017

DLS Best Practice: Reconciling Cash and Receivables

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L. PROCUREMENT AND PURCHASING POLICIES

L-1 Procurement and Purchasing Policy

Background:

The Commonwealth of Massachusetts establishes municipal purchasing regulations under M.G.L. Chapter 30B, and other related regulations. The State Inspector General's office has oversight of public purchasing laws and has published a comprehensive guide to Chapter 30B requirements.

Policy:

The Town shall follow the guidance contained in the Inspector General's "The Chapter 30B Manual: Procuring Supplies, Services and Real Property" in order to comply with the requirements of M.G.L. Ch. 30B. To supplement this guidance, the Town's Chief Procurement Officer will maintain a concise manual on purchasing procedures for department heads or others involved in Town purchasing or procurement.

References:

Wellfleet Town Charter Chapter V Town Administrator

Conducting Best Value Procurements, Operational Services Division, Sept 2021

MGL Ch. 30B Uniform Procurement Act

M. TREASURER INVESTMENT POLICIES

M-1 Investment Policies – General Fund, Stabilization Fund, OPEB Trust Fund, Other Town Funds

Background:

A local government's investment policy establishes guidelines and responsibilities in accordance with state law for managing and investing municipal funds.

The Governmental Accounting Standards Board recommends the disclosure of key policies affecting cash deposits and other long-term investments to ensure they are managed prudently or are not subject to extraordinary risks.

When assessing municipalities for credit quality, rating agencies look for investment management policies that address selection of financial institutions for services and transactions, risk assessment, investment objectives, investment maturities and volatility, portfolio diversification, safekeeping and custody, and investment performance reporting, benchmarking, and disclosure.

Policy:

The Treasurer-Collector is responsible for developing and maintain the policies for investing Town funds and will make all decisions regarding their management. The Treasurer/Collector shall invest Town funds in a manner that meets daily operating cash flow requirements and conforms to state statutes governing public funds, while adhering to generally accepted diversification, collateralization, and the prudent investment principles of safety, liquidity and yield. The Treasurer/Collector will also regularly monitor statutory changes governing investments and offer any policy amendments. The Treasurer Collector will submit a report of investments on a regular basis to the Town Administrator.

AUTHORIZED AND SUITABLE INVESTMENTS

SELECTION CRITERIA FOR BANKS AND BROKERS/DEALERS

A bank on the list of qualified banks for investment and banking services must meet minimum criteria, which are defined below. Banks failing to meet the minimum criteria or which, in the judgment of the Treasurer fail to offer adequate safety to the Town, will be removed from the qualified list. Although a bank is on the qualified list, it will still be required to pledge collateral on all deposits and investments, pursuant to Town and State Law.

- (1) Capital adequacy;
- (2) Asset quality;
- (3) Management; (4) Earnings, and;
- (5) Liquidity.

OTHER POST EMPLOYMENT BENEFITS TRUST FUNDS

Massachusetts General Laws, Chapter 32B, Section 20 allows a city, town, district, county or municipal light plant to setup a special trust fund known as the Other Post Employments Benefits (OPEB) Liability Trust fund. Wellfleet accepted this section by vote of the Town under Article 15 of the 2009 Annual Town Meeting and has established and funded an OPEB Liability Trust fund. The Town Treasurer is the custodian of the fund. Investment of fund monies by the custodian shall be consistent with the prudent person standard set forth in Massachusetts General Laws, Chapter 203C for private trust funds. Income earned by the fund shall be added to the fund principal.

References:

M.G.L. Ch. 40, §5; M.G.L. Ch. 44, §54, §55A, §55B; and M.G.L. c. 44B, §7

Wellfleet Investment Policy Statement for General Funds, Special Revenue Funds, Enterprise Funds, and Capital Projects Funds 2017

Wellfleet OPEB Trust Investment Policy Statement 2017

Deposit and Investment Risk Disclosures, Governmental Accounting Standards Board Statement No. 40, as amended by Statement No. 3, March 2003.

Creating an Investment Policy, Government Finance Officers Association Best Practice, October 2010.

Financial Management Assessment, Standard and Poor's, June 2006.

M-1A Authorized and Suitable Investments

Policy:

The following are authorized and suitable investments, amendments to these investment types may be made at the request of the Chief Financial Officer or the Treasurer:

1. The Town is empowered by statute to invest in the following types of securities:
2. United State Treasury Bills. Short-term obligations of the United State government issued and sold at a discount, with maturities of 13, 26, and 52 weeks.
3. United State Treasury Notes and Bonds. Obligations of the United State government issued with a fixed coupon rate and original maturities of one year.
4. Repurchase Agreements. Contractual agreements between the Town and brokerage firms, banks or government bond dealers. The repurchase agreement (Repo) issuer receives cash and, in turn, provides securities to the Town as collateral for the cash. There exists a contractual agreement for the repo issuer to repurchase the securities at pre-determined dates and prices. The right of substitution of collateral may be granted to the issuer upon approval by the Treasurer.
5. Collateralized Public Deposits. Instruments issued by financial institutions (banks) that state specified sums have been deposited for specified periods of time and at specified rates of interest. The certificates of deposit are to be backed by acceptable collateral securities as dictated by State and local law. The right of substitution of collateral may be granted to the financial institution upon approval by the Treasurer. Interest will be calculated on a 365day year/actual-day month basis, or another method approved by the Treasurer in writing.
6. Federal Farm Credit Bank Discount Notes. Consolidated obligations of the Farm Credit Banks, issued on a discount basis, with maturities of one year or less.
7. Federal Farm Credit Bank Debentures. Unsecured consolidated obligations of the Farm Credit Banks, issued with a fixed coupon rate, with maturities ranging from six months to one year.
8. Federal Home Loan Bank Discount Notes. Consolidated obligations of the twelve district banks, issued on a discount basis, with maturities of one year or less.
9. Federal Home Loan Bank Debentures. Unsecured consolidated obligations of the twelve district banks, issued with a fixed coupon rate, with maturities running one year or less.
10. Federal National Mortgage Association Discount Notes. Obligations of the Association, issued on a discount basis, with maturities under one year.
11. Federal National Mortgage Association Debentures. Unsecured obligations of the Association, issued with a fixed coupon rate, with various maturities.
12. Federal Home Loan Mortgage Corporation Discount Notes. Obligations of the Corporation, issued on a discount basis, with maturities under one year.
13. Federal Home Loan Mortgage Corporation Debentures. Unsecured obligations of the Corporation, used with a fixed coupon rate, with various maturities.
14. Bank Money Market Account. Interest bearing bank deposits.
15. Federal Home Loan Mortgage Corporation Participation Certificates. Issues of the Corporation, representing undivided interests in conventional mortgages underwritten and previously purchased by the Corporation. The Corporation guarantees the timely payment of interest at the certificate rate and full return of principal. Original maturity payment dates are thirty days.
16. Participation Units in a combined Investment Fund. The fund must only invest in Treasury of Agency of the Federal Government instruments. Municipal bonds or corporate bonds rate "A" or higher. (e.g. MMDT- Chapter 44, Section 55)

M-1B Selection Criteria for Bank, Brokers and Dealers

Background:

A local government's investment policy establishes guidelines and responsibilities in accordance with state law for managing and investing municipal funds.

The Governmental Accounting Standards Board recommends the disclosure of key policies affecting cash deposits and other long-term investments to ensure they are managed prudently or are not subject to extraordinary risks.

When assessing municipalities for credit quality, rating agencies look for investment management policies that address selection of financial institutions for services and transactions, risk assessment, investment objectives, investment maturities and volatility, portfolio diversification, safekeeping and custody, and investment performance reporting, benchmarking, and disclosure.

Policy:

The Treasurer-Collector is responsible for developing and maintain the policies for investing Town funds and will make all decisions regarding their management. The Treasurer/Collector shall invest Town funds in a manner that meets daily operating cash flow requirements and conforms to state statutes governing public funds, while adhering to generally accepted diversification, collateralization, and the prudent investment principles of safety, liquidity and yield. The Treasurer/Collector will also regularly monitor statutory changes governing investments and offer any policy amendments. The Treasurer Collector will submit a report of investments on a regular basis to the Town Administrator.

References:

M.G.L. Ch. 40, §5; M.G.L. Ch. 44, §54, §55A, §55B; and M.G.L. c. 44B, §7

Deposit and Investment Risk Disclosures, Governmental Accounting Standards Board Statement No. 40, as amended by Statement No. 3, March 2003.

Creating an Investment Policy, Government Finance Officers Association Best Practice, October 2010.

Financial Management Assessment, Standard and Poor's, June 2006.

M-2 Post-Issuance Tax Compliance Procedure for Tax-Exempt Debt Obligations and Other Tax-Benefited Obligations

Background:

Post-issuance compliance procedures are designed to provide for the effective management of a municipality's post bond or note issuance compliance program for tax-exempt and other tax-benefited bonds in a manner consistent with state and federal laws applicable to such obligations.

Policy:

The Treasurer/Collector shall review post-issuance compliance procedures at least annually and implement revisions or updates as deemed appropriate, in consultation with bond counsel or Financial Advisor.

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N- Antifraud

Background:

To protect the Town's assets and reputation from misappropriation and abuse, this policy provides guidelines to safeguard against fraudulent activities and any appearance thereof. Policy objectives include:

- To create an environment in which employees and citizens can report any suspicion of fraud
- To communicate the Town's intent to prevent, report, investigate, and disclose to proper authorities suspected fraud, abuse, and similar irregularities
- To provide management with guidelines and responsibilities regarding appropriate actions in conducting investigations of alleged fraud and similar improprieties

Policy:

This policy pertains to any suspected fraud, abuse, or similar irregularity against the Town. It applies to all elected and appointed Town officials and employees and to any other persons acting on behalf of the Town, such as vendors, contractors, volunteers, casual employees, and grant subrecipients.

The Town is committed to protecting its revenue, property, information, and other assets from any attempt, either by members of the public, contractors, consultants, vendors, agents, or its own employees, to gain by deceit, financial or other benefits at the expense of taxpayers. Town officials, employees and other persons acting on behalf of the Town must, at all times, comply with all applicable policies, laws, and regulations. The Town will not condone any violation of law or ethical business practices and will not permit any activity that fails to withstand the closest possible public scrutiny. The Town intends to fully, objectively, and impartially investigate any suspected acts of fraud or other similar irregularities regardless of the position, title, length of service, or relationship with the government of any party who may be the subject of such investigation.

A. Definitions

Any person acting on behalf of the Town will mean any person responsible for or to Wellfleet's government placed in that position by some official relationship with the Town.

Abuse can occur in financial or nonfinancial settings and refers to, but is not limited to:

- Improper use or misuse of authority
- Improper use or misuse of Town property, equipment, materials, records, or other resources
- Waste of public funds

Fraud or other irregularity refers but is not limited to:

- Any dishonest or fraudulent act

- Forgery or alteration of any document or account
- Forgery or alteration of a check, bank draft, or any other financial document
- Misappropriation of funds, securities, supplies, or other assets
- Impropriety in the handling or reporting of money or financial transactions
- Profiteering as a result of insider knowledge of Town activities
- Disclosing confidential or proprietary information to outside parties
- Accepting or seeking anything of material value from consultants, contractors, vendors, or persons providing services or materials to the Town
- Destruction, removal or inappropriate use of records, furniture, fixtures, and equipment
- Any claim for reimbursement of expenses not made for the exclusive benefit of the Town
- Any computer-related activity involving the alteration, destruction, forgery, or manipulation of data for fraudulent purposes
- Any omissions and misrepresentations made in bond offering documents, presentations to rating agencies, and annual financial reports

B. Antifraud Responsibilities

Every employee has the responsibility to assist the Town in complying with policies and laws and in reporting violations. The Town encourages the support and cooperation of all employees in meeting the Town's commitment and responsibility to such compliance.

Town officials and department heads are responsible for instituting and maintaining a system of internal controls to reasonably ensure the prevention and detection of fraud, misappropriations, and similar irregularities. Management should be familiar with the types of improprieties that could occur within their areas of responsibility and be alert for any indications of such conduct.

The Town Administrator has primary responsibility for investigating all activity defined in this policy and will, to the extent practical, notify the Select Board of reported allegations of fraudulent or irregular conduct upon commencing the investigation. In all circumstances where there are reasonable grounds to indicate fraud may have occurred, the Town Administrator, subject to the advice of Town Counsel, will contact the Wellfleet Police Department and/or the District Attorney's office. Upon concluding the investigation, the Town Administrator will report results to the Select Board and others as determined necessary.

C. Disclosure

If the Town's investigation concludes that there was a violation of any federal criminal law involving fraud, bribery or gratuity potentially affecting a federal award, the Town Administrator will disclose such in writing to the federal awarding agency in compliance with the Office of Management and Budget's Omni Circular. Similarly, if there are findings of bond offering information falsification, the Town Administrator will disclose this in writing to the bondholders.

PROCEDURES

The Town Administrator will create a set of procedures to be appended to this policy or incorporated by reference. The procedures should cover all of the following at minimum:

1. Procedure and methods for reporting suspicions of fraud, abuse and other irregularities
2. Assignment of responsibilities in response to reported suspicions
3. Employee protections from retaliation
4. Security of investigation documents
5. Treatment of anonymous allegations and false allegations (intentional and unintentional)
6. Personnel disciplinary actions
7. Responsibilities around media contact
8. Training, education and awareness
9. Disclosure requirements and protocols

REFERENCES

[M.G.L. c. 149 § 185](#)

U.S. Office of Management and Budget, December 2013: [Omni Circular](#)

N-1 DISBURSEMENTS

Background:

To mitigate the risk of fraud and ensure the Town disburses cash only for legally valid liabilities, this policy establishes guidelines for the expenditure of Town funds.

Policy:

This policy applies to the Chief Financial Officer, Treasurer/Collector's, and their designees' job duties and to the Selectboard's warrant approval responsibilities. It further applies to all department heads and elected or appointed officials who submit requests for expense and payroll disbursements (all referred to here as "department heads").

No disbursement for any payroll or accounts payable (AP) expense shall occur without the prior review and approval of the Chief Financial Officer and Selectboard. Accordingly, the Chief Financial Officer is responsible for finalizing every AP and payroll warrant and the Selectboard Clerk's signature

All payroll expenditures must be based on approved time and attendance records and consistent with collective bargaining agreements, personal service contracts, or Wellfleet's personnel bylaw. All vendor payments must be based on original invoices and issued only to entities with valid form W-9s on file. All invoices must be charged to the proper fiscal year. Payment for any bills payable for a prior fiscal year must be approved by vote of town meeting in accordance with [M.G.L. c. 44, § 64](#).

Printed on the face of every disbursed check will be: "Void if not cashed within one year of issuance." The Treasurer/Collector will secure all checks in a safe until distributed. As a tax-exempt organization, the Town will not pay sales tax on any expense, including those associated with any employee personal reimbursements.

A. Ongoing Maintenance of Payroll and Leave Time Data

The Treasurer/Collector is responsible for maintaining a database all town employees including their salaries, pay rates, stipends, weekly work hours, earned leave time, benefit options, and withholdings. Any change to an employee's employment status, work hours, or pay rate can only be made by the Treasurer/Collector based on a personnel action form signed by the appropriate department head, and Town Administrator or their designee.

The Chief Financial Officer or their designee is responsible for maintaining and updating weekly a database of employee leave time accumulations and usage. Any change the Chief Financial Officer or their designee makes to any employee's rate of accumulation must be supported by one of the following documents: collective bargaining agreement, classification and compensation schedule, or personal services contract. Deductions to leave time will be based on data reported on weekly time sheets.

B. Weekly Responsibilities Related to Disbursement Processing

Ryan Curley 10.20.21 v alpha Comprehensive Financial Management Policies for the Town of Wellfleet

Each **department head** is responsible for:

- Assuring that all purchases of goods and services conform to the state's procurement laws
- Verifying that adequate funds exist in the department's budget for every AP and payroll submission, attesting to the accuracy of each submission via signature, and timely submitting the disbursement requests to the Chief Financial Officer
- Distributing paychecks to employees upon receipt from the Treasurer/Collector

The **Chief Financial Officer** (and/or any delegated staff) is responsible for:

- Including each requested expense on the AP/payroll warrant only after validating:
 - Procurement laws were adhered to
 - The submission is legal
 - No fraud is evident
 - Adequate funds exist
- Preparing the AP and payroll warrants and submitting them to the Select Board for approval
- Ensuring the payroll warrant balances with the Treasurer/Collector's payroll preliminary report before providing it to the Select Board and subsequently notifying the Treasurer/Collector to finalize the payroll
- Updating the general ledger with all AP and payroll warrant expenditures
- Receiving blank checks from the Treasurer/Collector, imprinting them with the disbursement data using the office printer, and returning them to the Treasurer/Collector

The **Treasurer/Collector** (and/or any delegated staff) is responsible for:

- Entering payroll data in the Abra database based on time sheets received from the Chief Financial Officer and transmitting the finalized electronic file when notified to do so by the Chief Financial Officer
- Reviewing the AP warrant and withholding from disbursement any amounts owed to the town by listed payees
- Upon receipt of payroll and AP warrants signed by the Select Board, funding the associated bank accounts in the gross amount of each warrant
- Providing the Chief Financial Officer with the appropriate number of sequential blank checks for printing
- Mailing out all AP checks to the vendors. The Treasurer/Collector will not give any vendor checks to department heads or other employees to mail.
- Notifying department heads to pick up paychecks on pay day.
- Updating the cashbook to document the disbursement activity

The **Selectboard** members are responsible for:

- Reviewing each warrant for appropriateness by examining the invoices, back-up documents, and payroll detail, and directing any inquiries to the Chief Financial Officer
- Approving the warrants by signing them

C. Emergency Disbursements

If there is an emergency or extenuating circumstance where payment must be made to a vendor outside of the normal warrant process, the Treasurer/Collector may issue a manual check with written authorizations by the Town Administrator. In any such case, the department head will submit the expense to be processed as a no-check on the next accounts payable warrant.

D. Petty Cash

To mitigate the risks of illegal expenditures, procurement law violations, or instances of expenses exceeding appropriations, no petty cash accounts are authorized.

E. Audit

All disbursement activity is subject to audit by Wellfleet's independent auditor.

REFERENCES

[M.G.L. c. 41, §§ 41, 41A, 41B, 41C, 42, 43, 52, 56](#)

[M.G.L. c. 44, §§ 56, 58, 64](#)

[M.G.L. c. 30B](#)

Wellfleet's collective bargaining agreements, classification and compensation plan, and personal service contracts

N-2 Employee Reimbursement

Background:

To mitigate opportunities for fraud, waste and abuse, the Town must properly monitor and control reimbursements to employees and officials. This policy establishes rules governing reimbursements for legitimate business-related expenses, including necessary travel expenses incurred in performing official duties. It also provides guidelines for determining reasonable travel-related and other expenses and details the procedures, forms and documentation necessary to receive reimbursement.

Policy:

The Town will reimburse employees for reasonable expenses incurred on the Town's behalf as authorized by their department heads, boards, or committees.

Travel shall be restricted to necessary activities that provide a public benefit, such as training, professional conferences, and other municipal-related activities. All travel on Town business shall be planned for using the most economical mode and class of transportation reasonably available and the most direct and time-efficient route. Employees will travel using government and group rates when available. The Town will not reimburse or pay sales tax but will, however, pay meals and room excise taxes.

Business-related expenses, such as office supplies, should be procured through the Town's vendors and billed directly to the Town as much as feasible. Whenever this is not possible, the purchase must be made with the department head's approval.

When this policy is not followed, there is no guarantee that all expenditures will be reimbursed. Employees should determine estimates for their travel costs, discuss any extraordinary circumstances and expenses with their department heads, and obtain their authorizations in advance.

A. Unauthorized Expenses

The following expenditures will not be reimbursed:

- Alcoholic beverages and tobacco
- Massachusetts sales tax
- Costs associated with any political or charitable event
- Flowers or other gifts for employees or others
- Expenses incurred by or on behalf of any person who is not a Town employee who accompanies the employee on official business
- Expenses incurred for the sole benefit of the traveler, such as valet service, entertainment, laundry services, etc.
- Theft, loss, or damage to personal property while on Town business
- Non-mileage-related personal automobile expenses, including repairs, insurance, gasoline, and traffic citations

The Chief Financial Officer may refuse to approve for payment any claim deemed to be ineligible, fraudulent, unlawful, or excessive. In that instance, the Chief Financial Officer will file a written statement of the reason for refusal with the Treasurer/Collector and forward copies to the Town Administrator and the originating department head. Resolution of all disputes shall reside with the Town Administrator.

B. Reimbursable Expense Categories

Transportation

- Employees authorized to travel using their personal vehicle will be reimbursed at the mileage reimbursement rate established yearly by the Internal Revenue Service (IRS) or, for union employees, the rate established in their contractual agreement.
- Mileage will be calculated starting from the employee's office location or residence to the destination point, whichever distance is shorter.
- Employees must present receipts to be reimbursed for parking, tolls, airfares, taxi fares, and, when using a Town-owned vehicle, fuel charges.

Lodging

- If travel requires an employee to be away from home for more than 24 hours, he or she will be reimbursed for reasonable charges for lodging expenses.
- Lodging expenses must not exceed the group rate published by the conference or activity sponsor. If the sponsor's group rate is not available when booking, the Town will reimburse for lodging costs comparable in location and quality and reserved at the lodging's government or group rate, whenever that is available.
- The Town will reimburse for only one night preceding any conference.

Meals

- If travel requires an employee to be away from home for more than 24 hours, he or she will be reimbursed for reasonable charges for meal expenses.
- Meal costs, including tips and taxes, incurred during approved travel will be reimbursed only upon presentation of itemized receipts. If the receipt is for multiple employees, they should be listed on the back of the receipt.
- Meals included in registration costs cannot be claimed for reimbursement or advance.
- Under no circumstance will the total meals reimbursement exceed the Town's per diem rate of \$65.

Registrations

- Whenever possible, registration fees for any conference, training, or workshop should be paid in advance through the Town's accounts payable warrant process. To pay advance registrations timely, the registration bill must be received in the Chief Financial Officer no later than two weeks prior to the registration deadline.
- If registration is not paid in advance, the employee must pay out-of-pocket and then submit for reimbursement.

Business and Office Supplies

- Employees must obtain department head approval prior to incurring expenses for any business or office supplies, and all purchases made on behalf of the Town must be necessary, reasonable, and appropriate.
- Business-related special postal services or delivery services that are not available through the Town will be reimbursed.

C. Reimbursement Submission

Every claim for reimbursement must be documented using an [Expense Reimbursement Form] signed by the employee and the authorizing department head. Required information on the form includes: the travel or purchase date(s), purpose, amount(s), and total business-related mileage (as applicable). Except for mileage, the employee must attach to the form a receipt or other valid proof of payment for each reimbursement claim.

Employees should submit for reimbursement as soon as the travel has concluded or the expense has been paid, but at maximum, no later than 30 days after the expenses being incurred. If an employee does not submit the [Expense Reimbursement Form] and accompanying receipts or other necessary documentation within that time, he or she may be personally responsible for the expenses.

D. Violations

Employees who violate this policy will be held directly responsible for their actions. Consequences may include revocation of travel privileges, reparatory payments, suspension, or termination. Improper documentation of otherwise valid travel expenditures creates the appearance of fraud, waste, or abuse and may result in similar consequences. Moreover, misrepresenting expenses and intentionally submitting false claims are fraudulent and could result in criminal penalties.

E. Audit

All expenses are subject to verification that they comply with this policy and to audit by the Town's independent auditor.

REFERENCES

[M.G.L. c. 41, §52](#)

[M.G.L. c. 44, §58](#)

[M.G.L. c. 268A, § 3](#)

IRS webpage, [Standard Mileage Rates](#)

O: FINANCIAL MANAGEMENT TEAM

Background:

Team meetings help the Town's finance officers to maintain open lines of communication and reinforce awareness of their interdependence. In this forum, team members can identify critical junctures, consider strategies to deal with anticipated areas of concern, and establish agreement about goals, deadlines, and each individual's role in meeting common objectives. A formal financial management team approach also fosters institutional continuity during times of turnover in financial offices.

To maximize the effectiveness of financial practices by optimizing the coordination of interdepartmental activities and long-range plans, this policy establishes a financial management team that will meet regularly to discuss common goals and objectives.

POLICY

The Town establishes a financial management team consisting of the Town Administrator, Chief Financial Officer, Treasurer/Collector, Assessor, & Town Accountant. Meetings of the team will be scheduled at a consistent time each month and more frequently when necessary.

Agenda topics will include:

- Updating the status of assigned responsibilities and due dates related to cyclical procedures, such as tax takings, tax recaps, year-end closings, and others
- Monitoring monthly revenue and expenditure reports and analyzing cash flow
- Reviewing the effectiveness of internal controls, including the status of reconciliations
- Coordinating submissions to the Division of Local Services
- Assessing special projects assigned by the Selectboard or Town Administrator
- Pursuing professional development and training opportunities
- Assessing progress on any initiatives being implemented.

REFERENCES

Division of Local Services Best Practice: [Financial Management Team](#)

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APPENDIX 1: SELECTED GLOSSARY OF TERMS

Available Funds – Balances in the various fund types that represent non-recurring revenue sources. As a matter of sound practice, they are frequently appropriated to meet unforeseen expenses, for capital expenditures or other onetime costs. Examples of available funds include free cash, stabilization funds, overlay surplus, water surplus, and enterprise net assets unrestricted (formerly retained earnings).

Betterments (Special Assessments) – Whenever part of a community benefits from a public improvement, or betterment (e.g., water, sewer, sidewalks, etc.), special property taxes may be assessed to the property owners of that area to reimburse the governmental entity for all, or part, of the costs it incurred in completing the project. Each property parcel receiving the benefit is assessed a proportionate share of the cost which may be paid in full, or apportioned over a period of up to 20 years. In this case, one year's apportionment along with one year's committed interest computed from October 1 to October 1 is added to the tax bill until the betterment has been paid.

Block Grant – A Block Grant is a Federal grant of money awarded by formula under very general guidelines that allow grantees broad latitude in spending activities. Recipients are normally state or local governments.

Bond – A means to raise money through the issuance of debt. A bond issuer/borrower promises in writing to repay a specified sum of money, alternately referred to as face value, par value or bond principal, to the buyer of the bond on a specified future date (maturity date), together with periodic interest at a specified rate. The term of a bond is always greater than one year.

Bond and Interest Schedule Record (Bond Register) – The permanent and complete record maintained by a treasurer for each bond issue. It shows the amount of interest and principal

coming due each date and all other pertinent information concerning the bond issue.

Bond Anticipation Note (BAN) – Short-term debt instrument used to generate cash for initial project costs and with the expectation that the debt will be replaced later by permanent bonding. Typically issued for a term of less than one year, BANs may be reissued for up to five years, provided principal repayment begins after two years (MGL Ch. 44§17).

Principal payments on school related BANs may be deferred up to seven years (increased in 2002 from five years) if the community has an approved project on the Massachusetts School Building Authority (MSBA) priority list. BANs are full faith and credit obligations.

Bond Authorization – The action of town meeting or a city council authorizing the executive branch to raise money through the sale of bonds in a specific amount and for a specific purpose. Once authorized, issuance is by the treasurer upon the signature of the mayor, or selectmen. (See Bond Issue)

Bond Buyer – A daily trade paper containing current and historical information of interest to the municipal bond business.

Bond Counsel – An attorney or law firm engaged to review and submit an opinion on the legal aspects of a municipal bond or note issue.

Bond Issue – The actual sale of the entire, or a portion of, the bond amount authorized by a town meeting or city council.

Bond Rating (Municipal) – A credit rating assigned to a municipality to help investors assess the future ability, legal obligation, and willingness of the municipality (bond issuer) to make timely debt service payments. Stated otherwise, a rating helps prospective investors determine the level of risk associated with a given fixed-income investment. Rating agencies, such as Moody's and Standard and Poor's, use rating systems, which designate a

letter or a combination of letters and numerals where AAA is the highest rating and C1 is a very low rating.

Bonds Authorized and Unissued – Balance of a bond authorization not yet sold. Upon completion or abandonment of a project, any remaining balance of authorized and unissued bonds may not be used for other purposes, but must be rescinded by town meeting or the city council to be removed from community's books.

Capital Assets – All tangible property used in the operation of government, which is not easily converted into cash, and has an initial useful life extending beyond a single financial reporting period. Capital assets include land and land improvements; infrastructure such as roads, bridges, water and sewer lines; easements; buildings and building improvements; vehicles, machinery and equipment. Communities typically define capital assets in terms of a minimum useful life and a minimum initial cost.
(See Fixed Asset)

Capital Budget – An appropriation or spending plan that uses borrowing or direct outlay for capital or fixed asset improvements. Among other information, a capital budget should identify the method of financing each recommended expenditure, i.e., tax levy or rates, and identify those items that were not recommended. (See Capital Asset, Fixed Asset)

Capital Improvements Program – A blueprint for planning a community's capital expenditures that comprises an annual capital budget and a five-year capital program. It coordinates community planning, fiscal capacity and physical development. While all of the community's needs should be identified in the program, there is a set of criteria that prioritizes the expenditures.

Capital Outlay – The exchange of one asset (cash) for another (capital asset), with no ultimate effect on net assets. Also known as "pay as you go," it is the appropriation and use of available cash to fund

a capital improvement, as opposed to incurring debt to cover the cost.

Capital Outlay Expenditure Exclusion – A temporary increase in the tax levy to fund a capital project or make a capital acquisition. Exclusions require two-thirds vote of the selectmen or city council (sometimes with the mayor's approval) and a majority vote in a community-wide referendum. The exclusion is added to the tax levy only during the year in which the project is being funded and may increase the tax levy above the levy ceiling

Chapter 90 Highway Funds – State funds derived from periodic transportation bond authorizations and apportioned to communities for highway projects based on a formula under the provisions of MGL Ch. 90 §34. The Chapter 90 formula comprises three variables: local road mileage (58.33 percent) as certified by the Massachusetts Highway Department (MHD), local employment level (20.83 percent) derived from the Department of Employment and Training (DET), and population estimates (20.83 percent) from the US Census Bureau. Local highway projects are approved in advance. Later, on the submission of certified expenditure reports to MHD, communities receive cost reimbursements to the limit of the grant.

Contingent Appropriation – An appropriation that authorizes spending for a particular purpose only if subsequently approved in a voter referendum. Under MGL Ch. 59 §21C (m), towns may make appropriations from the tax levy, available funds or borrowing, contingent upon the subsequent passage of a Proposition 2½ override or exclusion question for the same purpose. If initially approved at an annual town meeting, voter approval of the contingent appropriation must occur by September 15. Otherwise, the referendum vote must occur within 90 days after the town meeting dissolves. The question may be placed before the voters at more than one election, but if not approved by the applicable deadline, the appropriation is null and void. If contingent appropriations are funded through property taxes, DOR cannot approve the tax rate until the related override or exclusion

question is resolved or the deadline passes, whichever occurs first.

Debt Authorization – Formal approval by a two-thirds vote of town meeting or city council to incur debt, in accordance with procedures stated in MGL Ch. 44 §§1, 2, 3, 4a, 6-15.

Debt Burden – The amount of debt carried by an issuer usually expressed as a measure of value (i.e., debt as a percentage of assessed value, debt per capita, etc.). Sometimes debt burden refers to debt service costs as a percentage of the total annual budget.

Debt Exclusion – An action taken by a community through a referendum vote to raise the funds necessary to pay debt service costs for a particular project from the property tax levy, but outside the limits under Proposition 2½. By approving a debt exclusion, a community calculates its annual levy limit under Proposition 2½, then adds the excluded debt service cost. The amount is added to the levy limit for the life of the debt only and may increase the levy above the levy ceiling.

Debt Limit – The maximum amount of debt that a municipality may authorize for qualified purposes under state law. Under MGL Ch. 44 §10, debt limits are set at 5 percent of EQV. By petition to the Municipal Finance Oversight Board, cities and towns can receive approval to increase their debt limit to 10 percent of EQV.

Debt Policy – Part of an overall capital financing policy that provides evidence of a commitment to meet infrastructure needs through a planned program of future financing. Debt policies should be submitted to elected officials for consideration and approval.

Debt Service – The repayment cost, usually stated in annual terms and based on an amortization schedule, of the principal and interest on any particular bond issue.

Enterprise Fund – An enterprise fund, authorized by MGL Ch. 44 §53F½, is a separate accounting and financial reporting mechanism for municipal services for which a fee is charged in exchange for goods or services. It allows a community to demonstrate to the public the portion of total costs of a service that is recovered through user charges and the portion that is subsidized by the tax levy, if any. With an enterprise fund, all costs of service delivery—direct, indirect, and capital costs—are identified. This allows the community to recover total service costs through user fees if it chooses. Enterprise accounting also enables communities to reserve the "surplus" or net assets unrestricted generated by the operation of the enterprise rather than closing it out to the general fund at year-end. Services that may be treated as enterprises include, but are not limited to, water, sewer, hospital, and airport services. See DOR [IGR 08-101](#).

Free Cash (Also Budgetary Fund Balance) – Remaining, unrestricted funds from operations of the previous fiscal year including unexpended free cash from the previous year, actual receipts in excess of revenue estimates shown on the tax recapitulation sheet, and unspent amounts in budget line-items. Unpaid property taxes and certain deficits reduce the amount that can be certified as free cash. The calculation of free cash is based on the balance sheet as of June 30, which is submitted by the community's auditor, accountant, or comptroller. Important: free cash is not available for appropriation until certified by the Director of Accounts.

General Obligation Bonds – Bonds issued by a municipality for purposes allowed by statute that are backed by the full faith and credit of its taxing authority.

Levy Limit – A levy limit is one of two types of levy (tax) restrictions imposed by MGL Ch. 59 §21C (Proposition 2½). It states that the real and personal property taxes imposed by a city or town may only grow each year by 2½ percent of the prior year's levy limit, plus new growth and any overrides or exclusions. The levy limit can exceed

the levy ceiling only if the community passes a capital expenditure exclusion, debt exclusion, or special exclusion. (See Levy Ceiling)

Massachusetts School Building Authority (MSBA) – Administers the state program that reimburses cities, towns, and regional school districts varying percentages of their school construction costs depending on the wealth of the community or district and the category of reimbursement. Projects that received their first reimbursement payment prior to July 26, 2004 will continue to get annual state payments to offset the related annual debt service. Thereafter, cities, towns, and regional school districts will receive a lump sum amount representing the state's share of the eligible project costs... (See DOR [IGR 06-101](#))

New Growth – The additional tax revenue generated by new construction, renovations and other increases in the property tax base during a calendar year. It does not include value increases caused by normal market forces or by revaluations. New growth is calculated by multiplying the assessed value associated with new construction, renovations and other increases by the prior year tax rate. The additional tax revenue is then incorporated into the calculation of the next year's levy

limit. For example, new growth for FY07 is based on new construction, etc. that occurred between January and December 2005 (or July 2005 and June 2006 for accelerated new growth communities). In the fall of 2006, when new growth is being determined to set the FY07 levy limit, the FY06 tax rate is used in the calculation.

Non-Recurring Revenue Source – A one-time source of money available to a city or town. By its nature, a nonrecurring revenue source cannot be relied upon in future years. Therefore, such funds should not be used for operating or other expenses that continue from year-to-year. (See Recurring Revenue Source)

Principal – The face amount of a bond, exclusive of accrued interest.

Receipts Reserved for Appropriation – Proceeds that are earmarked by law and placed in separate accounts for appropriation for particular purposes. For example, parking meter proceeds may be appropriated to offset certain expenses for parking meters and the regulation of parking and other traffic activities

Principal – The face amount of a bond, exclusive of accrued interest.

Receipts Reserved for Appropriation – Proceeds that are earmarked by law and placed in separate accounts for appropriation for particular purposes. For example, parking meter proceeds may be appropriated to offset certain expenses for parking meters and the regulation of parking and other traffic activities.

Sale of Cemetery Lots Fund – A fund established to account for proceeds of the sale of cemetery lots. The proceeds may only be appropriated to pay for the cost of the land, its care and improvement or the enlargement of the cemetery under provisions of MGL Ch. 114 §15.

Sale of Real Estate Fund – A fund established to account for the proceeds of the sale of municipal real estate other than proceeds acquired through tax title foreclosure. MGL Ch. 44 §63 states that such proceeds shall be applied first to the retirement of debt on the property sold. In the absence of such debt, funds may generally be used for purposes for which the city or town is authorized to borrow for a period of five years or more

Short-Term Debt – Outstanding balance, at any given time, on amounts borrowed with a maturity date of 12 months or less.

Special Exclusion – For a few limited capital purposes, a community may exceed its levy limit or levy ceiling without voter approval. Presently, there are two special expenditure exclusions: 1) water and sewer project debt service costs which reduce the water and sewer rates by the same amount; and 2) a program to assist homeowners to repair or

replace faulty septic systems, remove underground fuel storage tanks, or remove dangerous levels of lead paint to meet public health and safety code requirements. In the second special exclusion, homeowners repay the municipality for the cost plus interest apportioned over a period of time, not to exceed 20 years

Special Revenue Fund – Funds, established by statute only, containing revenues that are earmarked for and restricted to expenditures for specific purposes. Special revenue funds include receipts reserved for appropriation, revolving funds, grants from governmental entities, and gifts from private individuals or organizations.

Stabilization Fund – A fund designed to accumulate amounts for capital and other future spending purposes, although it may be appropriated for any lawful purpose (MGL Ch. 40 §5B). Communities may establish one or more stabilization funds for different purposes and may appropriate into them in any year an amount not to exceed ten percent of the prior year's tax levy. The total of all stabilization fund balances shall not exceed ten percent of the community's equalized value, and any interest shall be added to and become a part of the funds. A two-thirds vote of town meeting or city council is required to establish, amend the purpose of, or appropriate money into or from the stabilization fund

APPENDIX 2: Policies To Be Superseded

APPENDIX 3: Chart of Allowable Uses of Funds

TBD

DRAFT

Budget and Financial Management Policy

(Adopted August 13, 2013 as Policy 2013-02)

Introduction

The financial management policies of the Town of Wellfleet are derived from the Town's adopted By-laws and Charter. The implementation of these policies is driven by our commitment to attain the following goals on a continual basis:

- Provide a full range of municipal services to the community in order to preserve our citizens' high quality of life.
- Maintain a stable tax levy commensurate with economic growth.
- Recruit top tier personnel.
- Promote a seamless flow of communication among staff, committees and boards.
- Retain our AAA credit rating.

The financial management policies are intended to be used, and therefore, must be flexible enough to accommodate changing social and economic conditions. It is appropriate for the Board of Selectmen to review these policies every three years and make adjustments as required.

Policies Relating to Financial Management

Financial Planning and Forecasting:

- Revenue and expense estimates should be realistic, yet conservative, to minimize the potential shortfalls in the subsequent year's operating budgets and corresponding impacts on free cash.
- The Town Administrator shall provide a three-year financial plan that includes revenue and expenditure forecasts as updated annually. The forecasts prepared for the annual budget process begin with a preliminary forecast which is used to make tentative decisions on the budget instructions, borrowing expectations, and capital expenditures. Periodic and final forecasts will be updated and presented to the Board of Selectmen and Finance Committee.

Operating Budget Policy:

- The annual operating budget shall be appropriated on a balanced basis where recurring revenues are used to fund recurring expenses:
 - Recurring revenues include property taxes, vehicle excise, fees for services, licenses and permits, fine and forfeits, interest earnings, state aid, and available funds.
 - Recurring expenses include salaries and wages, employee benefits, materials, supplies, contractual costs, and debt service for capital projects.
- The operating budget shall be voted upon at the annual town meeting with each line item as a separate appropriation.

Revenue Policy:

- All decisions to add new or expanded municipal services shall be accompanied by an analysis the impact on the tax levy resulting from providing such service and a determination of the portion of the cost of furnishing such service to be defrayed by user fees.
- Fees for all municipal services shall be reviewed on an annual basis.
- Estimated receipts shall be monitored on a monthly basis.
- One-time revenues or free cash shall be used to fund one-time operating expenses.
- Balances in prior town meeting funding articles shall be reviewed annually and excess balances shall be closed out.
- In order to maintain as low a tax rate as possible, debt drop-off (the increased debt capacity created as previously incurred debt is paid down) shall be utilized to fund the Capital Improvement Plan.

Expense Policy:

- The Town shall maintain a Three-Year Staffing Plan in order to respond to the needs of the organization and to plan for offsetting revenue sources and/or reorganization efforts.
- Department Heads must receive approval for exceeding budgeted expenses from either the Town Administrator or Accountant before costs are incurred.
- All efforts shall be made to identify and implement cost containment/reduction initiatives and operational efficiencies on an annual basis.
- New spending initiatives, departmental reorganizations, By-Law amendments, property acquisitions, gifts, and grants – as well as State mandates - can have significant long-term impact on revenues and operating costs that may not be immediately apparent. Reasonable efforts will be made to identify such long-term costs for incorporation into future capital improvement plans and operating budgets.
- Purchase orders shall be submitted for operating expenses incurred over \$2,000. Purchase orders shall include the account line item to be charged. If the amount is subject to procurement all bid documents must be submitted with the Purchase order.
- The Town Administrator shall serve as the chief procurement officer and be responsible for the purchase of all materials and equipment, supplies and approve the award of all contracts for all Town departments.

Reserve Policy:

The establishment and maintenance of adequate financial reserves provide the Town of Wellfleet with financial flexibility and security. This policy is recognized as an important factor for consideration by bond rating agencies, the underwriting community and financial advisors.

Stabilization Fund:

- The Town of Wellfleet shall maintain a Stabilization Fund.
- Standard Stabilization Fund uses include, but are not exclusively limited to, settlement of litigation and emergency expenditures.
- The Town may, with town meeting approval, use the Stabilization Fund as an “internal bank” to borrow from itself for capital projects.
- The Town shall have a goal to maintain a minimum Stabilization Fund balance of 5.00% of the Operating Budget. If the fund is used for any reason, the goal is to replenish it as soon as possible and no later than within five years.

Finance Committee Reserve Fund:

Its purpose is to respond to extraordinary and unforeseen events/obligations. The Town has established an annual budget reserve in accordance with the provisions of Massachusetts General Law, Ch.40 §6.

- The Reserve Fund shall be budgeted annually to provide for extraordinary and unforeseen expenditures that could not have been anticipated before town meeting, and/or to allow immediate expenditures of funds in the event of an emergency or opportunity that cannot be deferred until the next scheduled town meeting.
- The annual funding target for Reserve Fund shall be 0.50% of the Operating Budget.
- A request for a Reserve Fund transfer will not be considered if it is contrary to the vote of town meeting, or as a ‘backdoor’ means to increase a budget.
- Any unexpended balance at the end of the fiscal year will be closed to expenditure.

Free Cash:

Free Cash represents the result of favorable operations from the previous fiscal year. Receipts in excess of the estimated receipts amount used to set the tax rate and savings from expenditures which are less than amounts appropriated in the Operating Budget both have a positive effect on Free Cash. Receipts which fall short of the estimated receipts and expenses which exceed the appropriation both have a negative effect on Free Cash. The net change to Free Cash is added to the previous fiscal year Free Cash balance. In effect Free Cash is the Town’s net “profit” from operations. The resulting Free Cash balance, once certified by the Massachusetts Department of Revenue, becomes available to the Town to supplement the current year Operating Budget or to reduce the amount raised by taxation for the next Operating Budget. At the end of each fiscal year Free Cash is closed to further use until certified again.

- The goal for Free Cash balance shall be a minimum of 4.50% of the Operating Budget. Higher Free Cash balances are desirable, since the Free Cash balance is also available for cash flow management. Free Cash and the Stabilization Fund together represent the cost of about five weeks of Town operations.

- Free Cash will normally be used at the Annual Town Meeting for adjustments to the current year Operating Budget.

Capital Improvement Plan/Budget Policy:

- Items in the Capital Improvement budget shall fall into the categories of maintenance projects, equipment and new projects within a cost range of \$5,000-\$250,000.
- Capital items costing more than \$250,000, such as new buildings, significant building renovations, dredging projects and land purchases should normally be funded by borrowing and approved under a separate town meeting article.
- The Capital Improvement budget for any fiscal year, excluding expenditures financed by debt, should budget an expenditure amount equal to between (3.00% and 7.00%) of the Town's Operating Budget for that fiscal year except in extraordinary circumstances.
- The Capital Budget shall be primarily funded by Free Cash, the tax levy, and/or other onetime available funds.
- The Capital Budget shall be voted at town meeting with each item (vehicle or building) a separate appropriation.
- This goal should be revisited regularly to ensure that the Town is investing adequately in its capital needs.
- See Charter section 7-5 for additional capital budget requirements.

Debt Management Policy:

Debt is an effective way to finance large capital projects or improvements. Properly managed debt preserves our credit rating, enhances flexibility in current and future operating budgets and provides the Town with long-term assets that maintain or improve our quality of life.

- The Town will propose all new debt issues as debt exclusions.
- The Town will maintain good communications with banks, financial advisors, bond counsel and bond rating agencies.
- Bonds will be paid back within a period not to exceed the expected useful life of the capital project or the period defined by state law, whichever is shorter.
- The Town will structure debt payments in order to maximize cash flow.
- The Town will frequently analyze existing debt in order to take advantage of refinancing and early pay down opportunities.
- The Town's annual Town Report, Town Administrator's Budget Message and Annual Town Meeting warrant will give summaries of the debt obligations of the Town.
- Individual borrowings shall be used only for the purpose for which the borrowing was authorized.

Unfunded Liabilities Policy:

- Pensions – Barnstable County Retirement Assessment is paid as an annual assessment.
- Other Post-Employment Benefits (OPEB) – this is the cost of providing health insurance for retirees and their spouses. While there is no legal requirement to fund OPEB, the Town should strive toward fully funding the Annual Required Contribution, ultimately developing a funding schedule that fully funds OPEB. The Town shall continue its practice of having an independent actuary prepare biennial valuations, which is in compliance with Government Accounting Standards Board requirements.

Related Documents:

The policies set forth herein are intended to be in addition to existing finance documents including, but not limited to, the following:

- Wellfleet Town Charter Chapter 7 Financial Provisions and Procedures.
- Wellfleet General By Laws Articles III, Town Affairs.
- Board of Selectmen Policy 2008-4, Debt Policy.
- Board of Selectmen Policy 2009-2, Investment Policy.
- Massachusetts General Laws relating to municipal finance.

BOARD OF SELECTMEN

Debt Policy

Original Date: October 14, 2008

Amended: December 23, 2008

2008-4

The Board of Selectmen of the Town of Wellfleet hereby establishes and adopts this Debt Policy. The purpose of this policy is to outline the considerations the administration of the Town of Wellfleet should apply when considering debt funding of capital projects. These considerations are designed to avoid the possibility of the Town assuming debt that would excessively overburden taxpayers or results in a substantial decrease of the Town's bond rating. The Town should carefully research, identify, and agree to work with only highly-rated institutions.

The Board of Selectmen recognizes that a prudent Capital Improvement Plan (CIP) will serve to avoid excessive maintenance and repair costs, and reduce the need for sudden and unexpected capital expenses that may have an adverse impact on the Town's operating budgets. The Capital Improvement Plan will be a minimum of five years of projected capital projects that reflect the prioritized needs of the Town, subject to the anticipated funding provided by this Policy. This CIP will be presented annually to the Board of Selectmen and the Finance Committee by the Town's financial staff.

The Board of Selectmen also encourages a prudent use of debt so as to spread out the cost of large capital assets over a period of time that should not exceed the expected useful life of the asset.

Long-term debt should be issued only for capital projects or assets that have a long useful life. It should be issued to pay for the cost of significant infrastructure and capital projects, such as road construction, building construction, and land purchases. Long term debt should not be issued for recurring, small capital purchases with a useful life of less than five years.

The Town should attempt rapid debt repayment schedules. The Town shall strive for a rapid repayment schedule of ten years or less. This ensures cost savings to the community and seeks to avoid strapping future generations with large debt obligations. This policy recognizes that capital needs continue and that new debt will continue to be identified and issued.

Long-term debt should not be incurred without a clear identification of its financing sources. Long-term debt is generally utilized to fund capital projects that have a long useful life and are relatively expensive. Because of the debt service costs and annual appropriations necessary to retire this debt, there should be clear knowledge and commitment of revenue sources available to pay these costs.

BOARD OF SELECTMEN

Policy on Grants

Original Date: February 22, 2011

Revised Date: April 19, 2011

2011-2

Overview

With decreasing revenue and increased fixed costs, grant revenues can be an important part of the Town's overall resource stream, especially in funding capital improvements. Actively seeking out grant revenue that assist in achieving identified Town goals and objectives should play a role in the town's overall financial strategy.

Purpose

The purpose of the policy is to set forth an overall framework for guiding the Town's use and management of grant resources.

Goals

1. Evaluate costs and benefits of specific grant programs, including staffing, space, and supplies, that will be required, calculates and presents, in writing, total project costs [The definition of total project costs will include the cost of applying and administering, and sustaining personnel, maintenance and administrative costs after the grant funding has been exhausted].
2. Aside from entitlement grants, the Town should focus on grants needed for capital improvements. This approach will allow the town to compete for projects it might otherwise not be able to afford, while maintaining independence should grant sources diminish in future years.
3. Grants should not be sought for operating purposes, or to fund new staff, programs, or services, without a clear plan for sustainability at the end of the funding period.
4. The Town should proceed cautiously, and not pursue grants that fund "pilot" operating programs, or short-term staffing enhancements for existing programs. Taking on these grants for program expansion could aggravate the Town's fiscal position once the funding is no longer available.
5. The town should only seek grant funding when sufficient staff time is available to effectively administer the program, or when these services can be built into the grant.
6. Departments are responsible for identifying the need for, or potential sources of grant funding, and for developing all the program concepts and cost estimates. These opportunities should be evaluated thoroughly by the administration, prior to discussion by the BOS, and any public discussion should include the TA's recommendation.

Roles & Responsibilities

Town Administrator & Assistant Town Administrator

1. Evaluates the need for project and the application with the Department Head and approves/denies application.
2. Authorizes any commitment of in-kind funding or town match funding, this includes any addition of new staffing.
3. Final approval of ANY grant application will be with the TA. The TA will not approve a grant application that:
 - a. Adds staffing or commits the town to staffing or program expenses beyond the funding period;
 - b. Has a goal or purpose that is inconsistent with current town plans or policies;
 - c. In which necessary matching funds or in-kind contributions are not already available, or are not clearly identified and committed.

Town Treasurer

1. Provides bank account numbers and DUNS numbers for applications;
2. Coordinates financial issues with the Town Accountant and TA.
3. Receives grant funds and executes related contract documents when delegated to do so by the TA;
4. Notifies the Department head when monies are received.(new #4)

Town Accountant

1. Provides technical assistance to the department in preparing budgets for grant applications, submitting reports, and maintaining required financial records;
2. Coordinates preparation of audits;
3. Develops, recommends, and maintains grant management processes;

Department Head

1. Evaluates costs and benefits of specific grant programs, including staffing, space, and supplies, that will be required, and calculates total project costs;
2. Evaluates any potential impact on other departments, and makes recommendations regarding the amount or percentage of indirect costs to be recovered;
3. Discusses the completed proposal with the Town Administration and obtains approval by the Town Administrator prior to submission;
4. Submits grant once signed by the TA;
5. Distributes documents to the Town Accountant and copies to the Town Treasurer.(#5)
6. Maintains compliance with all audit procedures and necessary financial and program reporting, and provides other departments with any necessary documentation, and;
7. Completes all closing paperwork and reports unless otherwise directed by Administration.

BOARD OF SELECTMEN

Investment Policy

Original Date: September 8, 2009; Revised November 24, 2015

2009-2

The Board of Selectmen of the Town of Wellfleet hereby establishes and adopts this Investment Policy.

GENERAL STATEMENT OF POLICY

It is the policy of the Town of Wellfleet to invest public funds in a manner which will provide the maximum security with the highest investment return while meeting the daily cash flow demands of the Town.

AUTHORITY

Massachusetts General Laws, Chapter 44, Section 55B, requires that the Treasurer invest all public funds except those required to be kept un-invested for the purpose of immediate distribution.

Massachusetts General Laws, Chapter 44, Section 55 sets forth the types of instruments which are legal for municipal Treasurers to invest in. These are:

- ◆ US Treasury securities with a maturity of one year or less;
- ◆ Agencies of the US Government;
- ◆ Savings accounts of banks insured by the federal government;
- ◆ Certificates of Deposits of a maturity of one year or less insured by the federal government, and;
- ◆ Investments in a pooled fund operated under the authority of the State Treasurer.

OBJECTIVES

The primary objectives, in priority order, of the Town's investment activities shall be:

SAFETY: Preservation of principal is the foremost objective of the investment program. Investments of the Town shall be undertaken in a manner that seeks to ensure the preservation of capital in the overall portfolio.

LIQUIDITY: The Town's investment portfolio will remain sufficiently liquid to enable the Town to meet all operating requirements which might be reasonably anticipated.

RETURN ON INVESTMENT: The Town's investment portfolio shall be designed with the objective of obtaining a market rate of return throughout budgetary and economic cycles, taking into account the Town's investment risk constraints and the cash flow requirements of the portfolio.

REPORTS: The Town Treasurer should make available quarterly reports which summarize how the Town's funds are invested and the average rate of return received.

AUTHORIZED AND SUITABLE INVESTMENTS

The Town is empowered by statute to invest in the following types of securities:

1. United State Treasury Bills. Short-term obligations of the United State government issued and sold at a discount, with maturities of 13, 26, and 52 weeks.
2. United State Treasury Notes and Bonds. Obligations of the United State government issued with a fixed coupon rate and original maturities of one year.
3. Repurchase Agreements. Contractual agreements between the Town and brokerage firms, banks or government bond dealers. The repurchase agreement (Repot) issuer receives cash and, in turn, provides securities to the Town as collateral for the cash. There exists a contractual agreement for the repot issuer to repurchase the securities at pre-determined dates and prices. The right of substitution of collateral may be granted to the issuer upon approval by the Treasurer.
4. Collateralized Public Deposits. Instruments issued by financial institutions (banks) that state specified sums have been deposited for specified periods of time and at specified rates of interest. The certificates of deposit are to be backed by acceptable collateral securities as dictated by State and local law. The right of substitution of collateral may be granted to the financial institution upon approval by the Treasurer. Interest will be calculated on a 365-day year/actual-day month basis, or another method approved by the Treasurer in writing.
5. Federal Farm Credit Bank Discount Notes. Consolidated obligations of the Farm Credit Banks, issued on a discount basis, with maturities of one year or less.
6. Federal Farm Credit Bank Debentures. Unsecured consolidated obligations of the Farm Credit Banks, issued with a fixed coupon rate, with maturities ranging from six months to one year.
7. Federal Home Loan Bank Discount Notes. Consolidated obligations of the twelve district banks, issued on a discount basis, with maturities of one year or less.
8. Federal Home Loan Bank Debentures. Unsecured consolidated obligations of the twelve district banks, issued with a fixed coupon rate, with maturities running one year or less.
9. Federal National Mortgage Association Discount Notes. Obligations of the Association, issued on a discount basis, with maturities under one year.
10. Federal National Mortgage Association Debentures. Unsecured obligations of the Association, issued with a fixed coupon rate, with various maturities.
11. Federal Home Loan Mortgage Corporation Discount Notes. Obligations of the Corporation, issued on a discount basis, with maturities under one year.
12. Federal Home Loan Mortgage Corporation Debentures. Unsecured obligations of the Corporation, used with a fixed coupon rate, with various maturities.
13. Bank Money Market Account. Interest bearing bank deposits.
14. Federal Home Loan Mortgage Corporation Participation Certificates. Issues of the Corporation, representing undivided interests in conventional mortgages underwritten and previously purchased by the Corporation. The Corporation guarantees the timely payment of interest at the certificate rate and full return of principal. Original maturity payment dates are thirty days.
15. Participation Units in a combined Investment Fund. The fund must only invest in Treasury of Agency of the Federal Government instruments. Municipal bonds or corporate bonds rate "A" or higher. (e.g. MMDT- Chapter 44, Section 55)

SELECTION CRITERIA FOR BANKS AND BROKERS/DEALERS

A bank on the list of qualified banks for investment and banking services must meet minimum criteria, which are defined below. Banks failing to meet the minimum criteria or which, in the judgment of the

Treasurer fail to offer adequate safety to the Town, will be removed from the qualified list. Although a bank is on the qualified list, it will still be required to pledge collateral on all deposits and investments, pursuant to Town and State Law.

- (1) Capital adequacy;
- (2) Asset quality;
- (3) Management;
- (4) Earnings, and;
- (5) Liquidity.

OTHER POST EMPLOYMENT BENEFITS TRUST FUNDS

Massachusetts General Laws, Chapter 32B, Section 20 allows a city, town, district, county or municipal light plant to setup a special trust fund known as the Other Post Employments Benefits (OPEB) Liability Trust fund. Wellfleet accepted this section by vote of the Town under Article 15 of the 2009 Annual Town Meeting and has established and funded an OPEB Liability Trust fund. The Town Treasurer is the custodian of the fund. Investment of fund monies by the custodian shall be consistent with the prudent person standard set forth in Massachusetts General Laws, Chapter 203C for private trust funds. Income earned by the fund shall be added to the fund principal.

BOARD OF SELECTMEN

Policy on Vehicle Rollover

Original Date: October 28, 2008

2008-1

During the early years of the life of a vehicle (the length determined by the warranty), the expense of ownership consists of monthly note payments, insurance premiums, tags and the cost of manufacturer's recommended servicing; i.e. oil, lube, fluids, tune ups and the price of labor to perform this preventive maintenance.

As a vehicle becomes more seasoned, the cost of operating and maintaining it (brakes, tires, clutch and other mechanical as well as electrical systems) increases. While this is happening, the trade-in value decreases.

At some point two decisions have to be made.

1. Do we continue pumping time and funds into keeping this vehicle running as intended or is it more cost-effective to replace it?
2. During the expected life of a replacement, is it more cost-effective to purchase or rent the replacement or subcontract the work?

To facilitate these decisions, effective October 28, 2008 requests for the replacement of Town vehicles must be supported with:

- ◆ Description of vehicle being replaced including Department ID# and VIN
- ◆ Purchase date of vehicle being replaced
- ◆ Base purchase price of vehicle being replaced
- ◆ Extras assessed and cost (radio, lights, plow, etc.)
- ◆ Manufacturer's projected life-span of vehicle being replaced
- ◆ Primary use of the vehicle
- ◆ Secondary use; i.e. snow removal
- ◆ Base price quote of replacement
- ◆ Price quote for needed extras such as radios, plow, etc.
- ◆ Target date for replacement
- ◆ Manufacturer's expected normal lifespan of replacement
- ◆ Expected lifespan under Wellfleet conditions
- ◆ Projected trade in value of vehicle being replaced as of _____.
- ◆ Projected auction value of vehicle being replaced as of _____ if not traded in.
- ◆ Maintenance records including:
 1. Service performed, date of service performed, service provider if not DPW employee.
 2. Mileage and fuel consumption rate at date of service, engine hours at date of service
 3. Projected service requirements in next 12 months, and projected costs
- ◆ Cost of leasing replacement vehicle and terms
- ◆ Cost of renting replacement vehicle and terms
- ◆ Cost and terms of subcontracting the work

Attachment 1 is a suggested paper form for capturing and reporting the required data. It, or a modified format with the same content, is to be used until a software program can be implemented.

Asset _____ ID# _____ VIN# _____
 Type _____ Plate _____ Condition _____
 Extent of Use _____ Purchase Date _____ Purchase Cost Base _____
 Mfg's Projected Life Span _____ yrs. Primary Use _____
 Anticipated Life Span _____ yrs. Secondary Use _____
 (based on NE weather & Salt)
 Mfg's expected mpg _____ Trade in or Auction Value as of _____ \$ _____

SERVICE RECORD

Date	Miles, Engine Hours, Fuel Used, Service Provided	Parts \$	Labor \$

PROJECTED SERVICE Next 12 Months (include down time & labor costs)

REPLACEMENT INFORMATION

Target Date for Replacement _____

Base Cost of Replacement \$ _____ Cost of Extras (detail) \$ _____

Quoted by _____ Date _____

OTHER

Rental Equivalent Cost Per Year

Cost of Insurance per Year
 Cost of Registration per Year
 Annual Note Payments

Rental Terms _____

Ownership Cost per Year

BOARD OF SELECTMEN
Meals Payment Policy
Date: February 20, 1990
1990-1

Reaffirmed: December 20, 1993
Revised: February 17, 1998
Revised: January 22, 2001
Reaffirmed: March 9, 2004

Payment for meal costs incurred by Town employees and officials in connection with Town business shall be based on the following policy:

1. Pre-established Meal Costs: Payment in full shall be allowed for meals which have a pre-established fee as part of a meeting, seminar, conference or other official function. Proof of such pre-established charge must be submitted with the payment request.
2. If an employee or official must be out of Town on official business, a total not to exceed \$65.00 per day may be reimbursed with proof of meal receipts.