

Select Board Potential Goals

August, 2023⁽¹⁾

Status as of 10/1/23 shown in red italics

- **Fiscal Policies- Work with Fincom and Schools on Fiscal issues.**
 1. **At the 2023 Annual Town Meeting, several By-Laws were either updated or deleted with the objective of clarifying fiscal policies and procedures:**
 - a. **Article 25 deleted By-Law Chapter 79 – Finance Committee and inserted a new Chapter 79 – Finance Committee and Budget Process**
 - b. **Article 26 deleted By-Law Chapter 26 – Capital Program Committee**
 - c. **Article 29 deleted By-Law Chapter 49 – Contracts; Procurements**
 2. **Adopt Fiscal Policies by September. *Presented with October 2023 Potential Goals***
 3. **Hold a meeting in the Fall with TA and Fincom to discuss FY 25 budget priorities and review new bylaw on the budget process. *Included in October 2023 Potential Goals***
 4. **Have annual audit/management letter presented to the SB**
 5. **Transfer School Health insurance costs to school budget for FY 25 *Discussions with Superintendent indicate appropriate frugality as to new health insurance enrollees***
 6. **Start discussion/negotiations about shifting Health Insurance cost from 80/20 to 70/30 +/- . This may take time, but the current deal is way above the norm for communities.**
 7. **BVT issues. *Included in October 2023 Potential Goals***
- **Finalize Personnel Policies by November 1, 2024. They go into effect 1/1/24. *In progress***
- **Park project – This needs a lot of work, community hearings, Turf v Grass, etc. and Debt Exclusion.**
- **Do ADA study of Parks and Concom Land. Maybe hire someone to help with ARPA funds. *Completed***
- **More robust Web Page, Facebook page/policies, outreach *Town Administrator has launched a Facebook page for the Town and is exploring other opportunities. New staff in TA office is focusing on website improvements.***
- **Renew expired Comcast Cable License - Verizon soon after – Have TA work with Jeff Ellis and Attorney on this. *Included in October 2023 Potential Goals***
- **Need two employees to be certified in various procurement laws. *Town Administrator recently became MCPPO-certified***
- **Start community discussion with Planning Board and former Master Plan Committee, Master plan implementation committee and others on future of**

Draper land. It may be many years until something happens but getting community support sooner would be better.

- Update Zoning Bylaws - We applied for a grant.
- Codify Zoning and General bylaws – See Town Clerk *Included in October 2023 Potential Goals*
- Expand GIS mapping capabilities over time. *Assessor's Office recently launched robust GIS program*
- Consider a government study committee (see 2007 DOR report)
- Does the Town really need a Highway and W/S commissioners versus a DPW? *Included in October 2023 Potential Goals*

You may want to explore expanding the TA role to have more day-to-day oversight especially regarding personnel. If you think of the schools, they have one boss. The town side has way too many. *TA's role in budget preparation and administration was strengthened by adoption of new By-Law Chapter 79 noted above*

- Purchase a building for another Town Hall in the next 5 years. Current Town Hall is not ADA compliant!!! *Included in October 2023 Potential Goals*

⁽¹⁾ These August, 2023 Potential Goals were developed by then-Interim Town Administrator Jeff Nutting and are presented here without amendments, deletions, etc. other than the status updates shown in red italics.

Select Board Potential Goals

October, 2023

Financial Management

- At the 2023 Annual Town Meeting, several By-Laws were either updated or deleted with the objective of clarifying fiscal policies and procedures:
 - Article 25 deleted By-Law Chapter 79 – Finance Committee and inserted a new Chapter 79 – Finance Committee and Budget Process
 - Article 26 deleted By-Law Chapter 26 – Capital Program Committee
 - Article 29 deleted By-Law Chapter 49 – Contracts; Procurements
- Adopt Fiscal Policies
 - The new By-Law Chapter 79, cited above, requires that Fiscal Policies be adopted and that the three-year financial forecast and operating budget for the ensuing fiscal year – both submitted by the Town Administrator – incorporate Fiscal Policies and note any deviation from said Policies.
 - The Fiscal Policies should be prepared by the Town Administrator in consultation with Town finance officers, then adopted by the Select Board.
- Monitor compliance with the Fiscal Policies on an ongoing basis
- Given that the new By-Law Chapter 79 outlines a new budget process, the Town Administrator should meet with the Finance Committee in the fall to review this process and discuss FY2025 budget priorities and challenges
- Strive to make the Town Accountant position a Town employee
- The Annual Audit & Management Letter should be presented to the Select Board each year
- Capital planning and budgeting processes have been formalized under the new By-Law Chapter 79, referenced above. Chapter 79 requires that all departments, boards and committees submit a 5-year capital plan to the Town Administrator by December 15th each year, and stipulates the information that must be included.
 - The Town Administrator should develop a format for these submissions and meet with department heads, boards and committees to review what is expected of them
- Continue discussions regarding Blackstone Valley Technical-Vocational School budget costs, unpredictability, formula, etc.

Personnel Matters

- At the 2023 Annual Town Meeting, under Article 28, Chapter 137 – Personnel – was deleted in its entirety and replaced with a new Chapter 137; this By-Law takes effect January 1, 2024.
- Personnel Policies, as required by said By-Law, must be adopted by the Select Board prior to January 1, 2024, so review of a Policy must begin this fall.
- Continue discussion regarding the need for and advantages of having a full- or part-time Town Planner
- Strive to fund support positions for the Fire, Police and Highway Departments
- Human Resource responsibilities need to be more formalized; training opportunities should be pursued

Technology

- Recent notable accomplishments include the Town Administrator's creation of a social media presence for the Town and the Principle Assessor's establishment of an advanced Geographic Information System (GIS).
- The Town website needs to be updated and better monitored to ensure information is current
- Further opportunities for Social Media should be explored

Miscellaneous

- Renew expired Comcast and Verizon contracts
- Update zoning by-laws and pursue codification of zoning and general by-laws
- Continue discussions regarding best practices related to Public Works, Water & Sewer and continued collaborative efforts
- Initiate discussion regarding the Town Hall as the building is not ADA compliant and needs significant work (HVAC, windows, roof, etc., etc.)



TOWN OF HOPEDALE

FISCAL POLICIES

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PURPOSE:

These Fiscal Policies have been developed to secure the Town's financial stability and ensure that adequate financial resources are available to administer quality community services on an ongoing basis as well as to enable the Town to respond to emergency situations that may arise. To achieve these goals, it is essential that the Town adheres to these Policies in the preparation and implementation of the operating and capital budgets. These Policies should be reviewed annually and revised as appropriate.

POLICIES:

Reserves: Use and Recommended Balances

- A reserve fund shall be appropriated annually in accordance with MGL Chapter 40, Section 6 for extraordinary and unforeseen expenditures. The amount of the reserve fund shall not exceed 3% of the prior year's tax levy. Transfers from the fund shall be made by vote of the Finance Committee.
- A reserve fund shall also be appropriated annually within the Water and Sewer enterprise funds. The target amounts are a minimum of \$100,000 for each enterprise fund. Transfers from this fund shall be made by vote of the Water & Sewer Commission.
- Reserves and one-time revenues should be used only for capital and other non-recurring expenses, except as noted below.
- Free cash should, ideally, be maintained at a minimum of 1% of revenues, and never allowed to fall below ½% of revenues.

Stabilization Funds:

- Stabilization Funds may be established, and supplemental funds may be contributed, by majority vote of Town Meeting in accordance with MGL Chapter 40, Section 5B. Appropriations from a Stabilization Fund require a 2/3 majority vote of Town Meeting.
- The Town's General Stabilization Fund should be maintained to facilitate the Town's response to unforeseen and catastrophic emergencies; at a minimum, the fund should be no less than 2% of revenues.

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- Ideally, in addition to the General Stabilization Fund, a diversified series of Stabilization Funds should be established, including:
 - Operational Stabilization Fund, for the purpose of augmenting operations in case of a sustained economic downturn and the associated loss of revenues. To ensure that this Fund is not used to address normal fluctuations in revenues, parameters must be established. Specifically, “sustained economic downturn” shall be occasions when state aid and/or local receipts are significantly reduced from one year to the next, with “significantly” being defined as a reduction of 5% or more of a particular revenue category. In such cases, the Operational Stabilization Fund may be used to make up such shortfalls.
 - Capital Stabilization Fund, for the purpose of funding capital related projects, acquisition of capital equipment, or payment of capital-related debt. A minimum of 6% of net general fund revenues (i.e. within levy) should be appropriated to this fund annually; this target does not include capital items funded through Debt Exclusions, Enterprise Funds, Grants, Chapter 90 funds, etc.

Capital Planning and Budgeting; Debt Management

- The terms “Capital Improvement” and “Capital Acquisition” shall be defined by the Finance Committee in consultation with the Select Board and the Town Administrator; such definition may be changed from time to time as necessary to reflect current economic conditions.
- In accordance with Town By-Law Chapter 79, on or before February 15th of each year the Town Administrator shall submit a 5-year Capital Improvements Program to the Select Board with copies to the Finance Committee. Said Program shall include: (a) a clear summary of its contents; (b) a list of all capital improvements proposed to be undertaken during the next 5 fiscal years, together with supporting data; (c) cost estimates, methods of financing and recommended time schedules; and (d) the estimated annual cost of operating and maintaining any facility to be constructed or acquired. The Town Administrator shall develop this Program after receiving, evaluating and prioritizing the 5-Year Capital Plans submitted by Town Departments, Boards, Commissions, and Committees, including the School Committee.
- Capital projects and purchases should be carefully scheduled to minimize borrowing costs and to avoid significant fluctuations in the Town’s annual debt budget.
- Consistent with credit rating agency guidelines, the total of the Town’s annual general fund debt service obligation should be between 8 – 12% of available revenues.
- Capital projects or acquisitions of \$1 million or more and having a useful life of ten years or more, should generally be funded with debt to spread the cost over several years.

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- Where possible, the Town should issue debt on a level-principal-payment basis so as to reduce the amount of interest paid on issuance.
- Existing debt should be reviewed annually for opportunities to reduce interest rates by refinancing.
- Balances remaining after project completion should be closed to free cash or appropriated for other projects.
- Authorized but unissued debt remaining after project completion should be presented to Town Meeting for rescission.

Financial Planning and Forecasting

- Three-year revenue and expenditure forecasts should be developed annually.
- Revenue estimates should be conservative – but realistic – to minimize the potential of shortfalls in the ensuing year’s operating budget.

Cash/Investments Management

- Departmental fees and charges should be reviewed regularly to ensure that, where appropriate, they cover direct and indirect costs associated with the service provided.
- The Town Treasurer shall annually report to the Select Board and Town Administrator the cash and investment balances of the Town, as of June 30; said report shall include an assessment as to the safety, liquidity, earnings, and the insurance/collateral for each fund.

Retirement System Funding

- The Town will use an actuarially accepted method of funding its pension system towards the goal of achieving a fully funded position; the Town’s contribution to the retirement fund shall be adjusted annually as necessary to remain consistent with the funding schedule. At such time that the Town’s actuarially-required contribution may be reduced, the amount of said reduction – on a year-to-year basis, shall be contributed to the Town’s OPEB liability, appropriated to a Stabilization Fund, or used for capital items or other non-recurring purposes.

Other Post-Employment Benefits (OPEB) Funding

- The Town will develop an actuarially accepted method of identifying and funding its OPEB obligations, with the goal of enhancing its contributions over time so as to achieve the levels required by such plan. Establish an OPEB Trust Fund?? A minimum of 10% of free cash remaining after funding the Town’s capital needs should be appropriated to the OPEB Trust Fund, before using free cash for any other purpose.