



Town of Dartmouth

400 Slocum Road
Dartmouth, MA 02747

Board of Selectmen

Select Board Members Present:

William J. Trimble-Chairperson
Michael P. Watson-Vice Chairperson
Lara H. Stone

Joseph Michaud
Shawn McDonald

The Chairman called the workshop meeting to order at 6:30 p.m. on February 7, 2011 in room 304.

Board members signed the **warrant(s)** for the following bills from various departments in the amounts of:

\$914,087.69	PR31	\$1,358,806.39	PD1132	\$300,789.22	S1133
\$113,947.42	T1133				

6:30/Application of Fay's Too for a Year Round Entertainment with Alcohol License (1 piece instrumental).

Evelyn Bettencourt was present for her Application.

After a motion was made by Vice-Chairman Michael Watson and seconded by Selectman Shawn McDonald, it was voted unanimously to approve the Application of Fay's Too for a Year Round Entertainment with Alcohol License (1 piece instrumental).

6:35/Joint Meeting with the Finance Committee and School Committee.

Chairman Trimble read the following General Financial Policies.

General Financial Policies

1. A **proposed balanced budget**, as presented in a comprehensive budget document and including a five-year fiscal forecast, shall be prepared annually by the Executive Administrator with the assistance of the Director of Budget & Finance and reviewed by the Finance Committee in accordance with the Town Charter and By-Laws.
2. **Budgetary procedures** that balance current expenditures at the expense of meeting future years' expenses, such as postponing expenditures and accruing future years' revenues, shall be avoided.
3. **"Fully funded" budgets** should be established at the Spring Annual Town Meeting. As a general rule, there should be no supplemental appropriations to department operating budgets at the Fall Annual Town Meeting.
4. **Adequate maintenance and replacement of capital equipment** should be provided in the capital and operating budgets. In the event that the annual budget is not able to provide for adequate maintenance and replacement of capital plant and equipment, this should be documented.
5. A **five year Capital Improvement Plan (CIP)** shall be maintained in accordance with the Town By-Laws and Charter and should directly relate to any long-term plans and policies of the Town. The CIP shall include any capital item or items whose aggregate cost is more than \$10,000, equipment with a useful life of at least 4 years and costing more than \$10,000, land improvement and acquisition, and any expenditure to be bonded.
6. **Ongoing operating costs** shall be funded by ongoing revenue sources. This protects the Town from fluctuating service levels and avoids concerns when one-time revenues are reduced or removed. In addition:
 - a. **Fund balances** should be used only for non-recurring expenditures, such as capital improvements and property acquisitions, and unexpected or extraordinary expenses, such as unbudgeted snow & ice removal expenses.
 - b. **New operating costs associated with capital projects** should be funded through the operating budget but reflected in the capital improvement plan.
7. **Free Cash**, also known as Surplus Revenue, as generated each fiscal year should be maintained at 2.5% to 5% of general fund operating revenues. A fund balance at this level is viewed positively by bond rating agencies and, combined with the **Stabilization Fund**, provides the Town with a financial cushion against events such as a local disaster, reduction in state revenue, and other unexpected or extraordinary expenditures.
8. **Any Free Cash balance beyond the reserve balance goal** should be utilized for capital and other non-recurring expenditures or appropriated to the Stabilization Fund, special purpose stabilization funds, and an Other Post-Employment Liability Trust Fund.

9. **Appropriations from the Stabilization Fund** should be used to fund capital improvements and capital equipment and, when the Reserve Fund or Free Cash is not considered sufficient, emergency or extraordinary expenditures. It shall be the goal of the Town to achieve and maintain this fund at 7.5% of general fund operating revenues.
10. An **Other Post-Employment Liability Trust Fund** should be established and funded on an annualized basis at a progressively higher level of commitment. The Town may use non-recurring revenues to help fund this account, but the Town should strive to dedicate a growing amount of operating revenues for this purpose.
11. **Annual general fund net debt service payable** should be no more than 10% but no less than 5% of general fund operating revenues. In considering and scheduling the issuance of new long term debt, the Town will seek to maintain debt service payments (both interest and principle), net of any reimbursements or dedicated revenue sources, at levels that can be sustained out of recurring revenues.
12. The **debt service schedule** should be maintained so that at least 50% of all outstanding principal will be paid within 10 years. The Town should strive to issue debt for shorter periods than the maximum allowable when the statutory limit exceeds 10 years.
13. **Long-term debt** should be limited to capital projects and should be confined to capital projects too expensive to be financed with current revenues. As a general rule, any capital purchase of less than \$35,000 should be financed with operating revenues. In addition:
 - a. **Financing sources** should be clearly identified before any long-term debt is incurred.
14. **User fees** for all operations should be reviewed annually to ensure rates are market competitive, defray operating costs, and in the case of Enterprise Funds to make certain that revenues generate sufficient funds to cover the cost of services.
15. **Economic development strategies** that balance high quality residential living with economic diversification and growth, allowing the Town to further diversify its tax base, shall be pursued. One aspect of the Town's economic development strategy shall be to sustain the Town's relatively low tax burden by continued focus on improving the short and long-term cost structure and efficiencies of Town government.
16. **Investment practices** should be in accordance with the Town's Investment Policy. The Investment Policy should be reviewed every 2 years.

After a motion was made by Selectman Shawn McDonald and seconded by Selectwoman Lara Stone, it was voted (4) four in favor and (1) one opposed (Vice-Chairman Watson) to adopt the General Financial Policies as amended.

3.) Add language: Operating Budgets.

6c.) Add language: when grant funding runs out they are complete.

9.) *It was voted (4) four in favor and (1) one opposed (Vice Chairman Watson) to approve the language. It shall be the goal of the Town to achieve and maintain this fund at no less than 7.5% of general fund operating revenues.*

10.) Add Language Enterprise Funds.

“For The Record” Vice-Chairman Michael Watson stated “The vagueness of this policy language with respect to the Stabilization Fund will create dissent when we discuss dealing with the major infrastructure needs of our community”.

The Finance Chairwoman requested a copy of the finalized Financial Policies along with the minutes of the meeting.

The Executive Administrator continued discussion on the FY 2011 Revenues, Expenditures, Overall Financial Policies, and review of Town Charges for FY 2011.

A discussion ensued about keeping the Town residents informed on on-going budgetary items.

After a motion was made by Selectman Joseph Michaud and seconded by Vice-Chairman Michael Watson, it was voted unanimously to inform the community on budgetary items, this should be added to the Town Meeting packet.

New Business:

FY2011 Snow and Ice Budget.

The Director of Public Works sent in a letter updating the Board on the FY 2011 Snow & Ice Budget. We have expended a total of \$263,745.41 to date for snow and ice operations. The Director of Public works is requesting the Board to approve the over expenditure of the Snow & Ice Budget FY 2011.

After a motion was made by Vice-Chairman Michael Watson and seconded by Selectman Joseph Michaud, it was voted unanimously to authorize the over expenditure of the FY 2011 Snow & Ice Budget.

Renewal of Surety Bond for the Town Collector.

After a motion was made by Selectman Joseph Michaud and seconded by Selectman Shawn McDonald, it was voted unanimously to approve the renewal of Surety Bond for the Town Collector.

A discussion ensued about not having inspections on property acquired by the Town.

A motion was made by Selectman Shawn McDonald and seconded by Vice-Chairman Michael Watson to adopt a policy that any real estate acquisition have an inspection by the appropriate boards.

Old Business:

Dutch Belt Farms.

The Executive Administrator stated at a joint meeting last week that the Finance Committee and Agricultural Preservation Trust voted to authorize up to \$18,000 of the Agricultural Preservation Trust funds to demolish Dutch Belt Farms.

After a motion was made by Selectman Shawn McDonald and seconded by Vice-Chairman Michael Watson, it was voted unanimously to expend the Agricultural Preservation Trust to demolish Dutch Belt Farms.

After a motion was made by Selectman Joseph Michaud and seconded by Vice-Chairman Michael Watson, it was voted unanimously that we receive weekly updates on what the expenditures are for Snow & Ice Budget.

Minutes:

Minutes of January 24, 2011 and January 31, 2011.

After a motion was made by Selectman Joseph Michaud and seconded by Vice-Chairman Michael Watson, it was voted unanimously to approve the minutes of January 24, 2011.

After a motion was made by Vice-Chairman Michael Watson and seconded by Selectman Joseph Michaud, it was voted (4) four in favor and (1) one abstention (Chairman Trimble) to approve the minutes of January 31, 2011.

Attest:

David G. Cressman, Executive Administrator

Transcribed by: Linda Torres

