



Fairhaven Board of Selectmen

September 19, 2016 Meeting Minutes

Present: Select Board Chairman Charles K. Murphy, Sr., Vice Chairman Robert J. Espindola, and Clerk Daniel Freitas; Town Administrator Mark Rees and Administrative Assistant Anne O'Brien.

Mr. Murphy called the meeting to order in the Town Hall Banquet Room at 6:33 p.m. The meeting was audio recorded by the Selectmen's Office and video recorded by the Government Access channel.

MINUTES

- Mr. Espindola motioned to approve the minutes of the **August 29, 2016** meeting, **open** session. Mr. Freitas seconded. Vote was unanimous. (3-0).

TOWN ADMINISTRATOR'S REPORT

In his report, Mr. Rees updated the Board to office activities of the last couple weeks. See Attachment A for Mr. Rees' weekly reports.

GREEN STREET RECONSTRUCTION PROJECT

The Board reviewed an indemnification agreement for the BPW Green Street reconstruction project between the Town of Fairhaven and P.A. Landers, Inc. and IMAC Management Group, Inc. Mr. Espindola motioned to approve and authorize the Town Administrator to sign the agreement. Mr. Freitas seconded. Vote was unanimous. (3-0).

TOTAL FITNESS CONTRACT

The Board reviewed a contract with Total Fitness for a Town employee Wellness Committee initiative. See Attachment B. Mr. Espindola motioned to approve the document and authorize the Town Administrator to sign. Mr. Freitas seconded. Vote was unanimous. (3-0).

MATTAPOISETT BIKE PATH EXTENSION

The Board reviewed an email from Bonne DeSousa of the Friends of the Mattapoissett Bike Path, requesting the Town send a support letter to the MEPA Executive Office of Energy and Environmental Affairs office, for the expansion of the Mattapoissett Bike Path. The Board was

supportive of the project. Mr. Espindola motioned to submit a letter of support (Attachment C). Mr. Freitas seconded. Vote was unanimous. (3-0).

CDBG DOCUMENTATION

The Board reviewed a CDBG Grant Administrator Agreement (Attachment D). Mr. Espindola motioned to approve and sign the agreement. Mr. Freitas seconded. Vote was unanimous. (3-0). Mr. Espindola motioned to approve and authorize the Town Chairman to sign the sub-grantee agreement with the Fairhaven Housing Authority for the project. Mr. Freitas seconded. Vote was unanimous. (3-0).

DUSSAULT AUTO SALES

The Board continued a site plan hearing for Dussault Auto Sales to October 3, 2016 at 7:15 p.m. The matter was tabled due to sickness.

AQUACULTURE RULES AND REGULATIONS

Harbormaster Timothy Cox was present to discuss the revisions to the Town's Aquaculture draft rules and regulations. The draft and revisions were previously reviewed by Town Counsel. The Board was supportive of the draft document. The Marine Resources Committee is working with Mr. Cox to address the fee schedule for aquaculture permitting. Mr. Espindola motioned to support the draft copy of the Aquaculture rules and regulations, subject to final edits. Mr. Freitas seconded. Vote was unanimous. (3-0). See Attachment E.

AUTO REPAIR AND DEALER SITE PLANS

The Board reviewed a memo from Mr. Rees regarding his recommendations for consideration of auto repair and dealer site plans and license renewals. Mr. Rees recommended the following:

- Site plan deadline extension for Alden Buick to November 14, 2016
- Site plan deadline extension for Auto Diagnostics to October 14, 2016
- Site plan deadline extension for Ray's Fair Repair to October 14, 2016
- Site plan deadline extension for AA Auto to October 14, 2016
- Site plan deadline extension for Fairhaven Getty to October 14, 2016
- Site plan deadline extension for JR Auto to October 14, 2016
- Fairhaven Gas submitted site plans are under review
- RRR Auto requests meeting with Selectmen, as the owner disagrees with the Town's interpretation of the site plans
- Manny's Service submitted site plans are under review.

See Attachment F for full memo. No action was taken.

BUDGET CALENDAR

Mr. Rees presented a proposed FY17-18 Budget Calendar to the Board of Selectmen. See Attachment G. The Board was supportive of the calendar. Mr. Espindola motioned to accept and adopt the dates contained therein (Attachment G). Mr. Freitas seconded. Vote was unanimous. (3-0).

GOAL SETTING SESSION

Mr. Rees updated the Board to an initiative to have a meeting dedicated exclusively to setting Board of Selectmen policy goals. The Board agreed to meet for a goal setting session on Saturday, October 1 from 9 to noon.

FINANCIAL POLICIES

The Board received a marked-up, draft copy of proposed financial policies for the Town of Fairhaven. Mr. Rees said that the Moody's and other bond rating agencies look favorably upon towns with set financial policies. The Board spoke favorably on the presented document. Mr. Espindola motioned to accept the presented Financial Policies (Attachment H). Mr. Freitas seconded. Vote was unanimous. (3-0).

POLE HEARING

At 7:37 p.m., the Chairman opened a hearing for the placement of one (1) utility pole on Town property at Torrington Road. The Board reviewed the plans and did not have any questions. The pole will service a new development.

The Chairman opened the hearing to public comment. Developer Norman Beauregard was recognized. Mr. Beauregard asked the Board to look favorably on the application.

Mr. Espindola motioned to approve the pole location for Torrington Road. Mr. Freitas seconded. Vote was unanimous. (3-0).

OTHER BUSINESS

Under other business:

- Mr. Espindola thanked the organizers of the Salvation Army "Serv-a-thon" event, which included beautification of Cooke Park and a bike ride from Fairhaven to Plymouth
- Mr. Murphy thanked everyone who went to the Our Lady of Angels Feast on Labor Day weekend
- Mr. Murphy said that the Town's annual auction raised \$3,491. Mr. Murphy volunteered to be the Town's auctioneer

- Mr. Freitas noted that the agenda reflected Fire Union negotiations in executive session, but stated he would be recusing himself from that conversation due to familial connections

At 7:50 p.m. Mr. Espindola motioned to enter Executive Session, pursuant to MGL 30A § 21:

1. Collective bargaining – Clerical, Police, Dispatchers and Fire

Mr. Freitas seconded the motion to enter Executive Session for the aforementioned reasons, not to reconvene into open session afterward. Vote was unanimous. (3-0)

Respectfully,

Anne O'Brien
Administrative Assistant
Minutes approved 10/03/2016

MEMO

TO: Board of Selectmen
FROM: Mark Rees, Town Administrator
DATE: September 10, 2016
RE: Weekly Update

Due to my father's passing and subsequent bereavement leave, this update will cover the last two weeks. Before beginning I would like to thank the Board and all the other town employees and residents who expressed your sympathies and support during this difficult time for my family. It truly shows what a warm and compassionate town that is Fairhaven.

Anne O'Brian and I met on August 30th with Stephen White, Business Professor at UMass-Dartmouth and Deidre Healey, Chair of the Town's Sustainability Committee and who also works at the university to discuss ways that the town and UMass-Dartmouth could collaborate together. While there were several ideas as to what this might entail, the project we are leaning towards is for one of Professor White's classes to do a marketing study for the Town.

Also on August 30th, Anne and I met with representatives of the Board of Public Works and the Historical Commission to discuss roles and responsibilities at Fort Phoenix. This was part of the action plan that the Board put together as a result of the Pokémon-Go issues at the park. We agreed that the BPW would have responsibility for maintaining the park and that any volunteer activity regarding maintenance would be run by BPW in advance of the work being done. The Historical Commission would take care of the historical assets at the Fort and that any communications with the media would be through the Board of Selectmen/Town Administrator's office.

On August 31, Chairman Murphy, Bill Roth, Tim Cox and I along with various other officials gave a tour of Union Wharf to Lt. Governor Karen Polito who wanted to see firsthand the improvements to the wharf which have been funded primarily through grants from the Seaport Economic Council of which the Lt. Governor is chair. As previously reported to the Board, the town was recently awarded a \$950,000 grant from the Council to continue work on the wharf. Appreciation should be expressed to Bill Roth who with the assistance of Tim Cox wrote the grant and to Rep. William Straus who advocated on behalf of the Town for us to receive this grant.

On Thursday, September 1st I had lunch with Ari Sky, the Finance Director for the City of New Bedford. Ari grew up in Portland Maine where I previously worked and in addition to that connection we discussed municipal finances and budgeting.

The following day on September 2nd, Tim Cox gave me a tour of the Town's extensive water front both in the harbor and along Sciticut Neck and West Island. It was both informative and interesting to see many of things that we have been working from the perspective of the water view including the town's three boat launching sites, the locations where the licensed aquaculture takes place and union wharf.

On Wednesday, September 7th, John Robertson, who is the chief lobbyist for the Massachusetts Municipal Association, met with Vinnie Furtado and myself to discuss some state wide programs that have an impact of Fairhaven including Chapter 90 Road funds, possible mandates for our recycling

efforts, the Community Compact program and grant opportunities. As a reminder, Fairhaven is hosting one of the MMA's Legislative Breakfast meetings on October 14th. I have known John for years and it was good to acquaint him with all of the good things Fairhaven is doing.

On Wednesday, September 7th, Anne O'Brian, Deb (?) from the Historical Commission and I stopped by Cooke Park in North Fairhaven in advance of the volunteer work being done on Saturday by a group associated with the Salvation Army. Subsequent to that trip, I made sure that the work being done by the volunteers was reviewed in advance by the Board of Public Works who have maintenance responsibilities at the park.

Supt. Baldwin and I met for lunch on Thursday September 8th where we discussed the budget calendar for the upcoming budget season and continued opportunities for the school and municipal operations to work together including information technology and facility maintenance.

Regarding facility maintenance, we did not receive any responses for our request for proposals for the Public Facilities Improvement Plan. We are in the process of reaching out to firms that we sent the RFP to ascertain why they did not respond so that we can make any necessary changes to the RFP when we reissue it.

I was able to connect with Denise Mason from Comcast who informed me that they have not yet hired someone to replace the governmental affairs person who handled Fairhaven and has since retired, although they expect to do so in the near future. She did, however, refer me to another Comcast employee, Mike Galla, who should be contacting me next week to discuss our concerns about service to Sciticut Neck area residents.

Regarding some recent employee actions, Amanda Bliss, has been hired to be the part-time, grant funded Administrative Assistant for the CDBG program and Kelly Massey has been cleared to return to work on Monday, September 12th. Writing of Kelly, Beth David of the Fairhaven Neighborhood News contacted me regarding issues raised about Kelly from a "source". We discussed an incident regarding a dog that was mistakenly taken from his owner that I had to intervene and Kelly's recent on the job injury. Given that this latter matter was a personnel matter, I requested and she sent a FOIA request which is currently being reviewed by labor counsel.

A few other points of interest:

The owners of the Down the Hatch restaurant have appealed to the ZBA the Building Commissioner's order to remove the mobile kitchen from their site when not in use.

We have received notice from DCHD that the Stratford Group has applied for low income tax credits for the Oxford School renewal project. Stratford has also begun the process of applying for a comprehensive 40B permit through the ZBA.

Finally, Stratford has reimbursed the Town, \$1,715.19 for the cost of holding the special town meeting where the purchase and sale agreement was approved by Town Meeting.

MEMORANDUM

TO: Board of Selectmen
FROM: Mark H. Rees, Town Administrator 
DATE: September 16, 2016
RE: Weekly Update

Considerable time this week was spent preparing material for the Board of Selectmen meeting on September 19th including working on aquaculture rules and regulations, site plan requirements for auto repair/dealership licenses, the budget calendar and updating recommended financial policies.

Collective bargaining also was in the forefront this week, meeting with the Clerical Union on Tuesday, September 13th and working with Public Works Superintendent Vinnie Furtado with his unions. I will report more on this Monday night in executive session. Next week we are meeting with the Fire Union and after the week after that with the Police and Dispatch Unions.

I also began to review the draft job descriptions that were written by Laurel Ridge Consulting for our non-union employees and met with them this afternoon to discuss making changes. Once we come to agreement on the job descriptions then they will be distributed to department directors for their comments. Finalizing the job descriptions is the first step in the non-union employee wage and classification plan. Future steps are putting the positions in appropriate grade levels and conducting a salary survey.

On Tuesday, September 13th, the Mattapoisett River Valley Water District Commission, which Vinnie and I sit on representing the Town of Fairhaven, met and heard presentation from the manager of the water treatment plant and the plant's consulting engineer about the current drought conditions and its impact on water production. As a result of that meeting the member town's agreed to go back to their respective communities and recommend mandatory water use restrictions. Based on that recommendation along with the recommendation of Mass. Office of Energy and Environmental Affairs, the Fairhaven Board of Public Works voted to implement the mandatory water use restrictions more full described on the attachment to this memorandum.

Fairhaven hosted the regional area municipal manager's meeting on Wednesday, September 14th. Administrators from Dartmouth, Freetown, Carver, Marion, Somerset, Westport, Lakeville and Rochester were in attendance. Subjects that were discussed included centralized land use permitting, records retention and construction project management.

Kevin McLaughlin, Chair of the Economic Development Committee and I had lunch on Thursday, September 16th where we reviewed the agenda for the upcoming committee meeting to be held on September 22nd. I also took the opportunity to tour the Fairhaven Shipyard North operations and see firsthand the manufacturing work done by skilled craftsmen and laborers.

That evening, I met with the Marine Resources Committee, where the modifications recommended by Town Counsel to the Aquaculture Rules and Regulations were reviewed. After discussion, the Committee voted to recommend to the Board of Selectmen that the Aquaculture Rules and Regulations as amended

by Town Counsel be adopted by the Board. This is one of the items on the agenda for your September 19th, meeting.

Director of Planning and Economic Development Bill Roth has informed me that they have received eight proposals to assist the town in developing the town's Hazard Mitigation Plan which is being funded by a grant from the state. Bill and I are recommending a consultant selection committee consisting of Bill, myself, Fire Chief Francis, EMA director Marc Jodine and one member from the Board of Selectmen. Any volunteers?

The Cable Advisory Committee will be interviewing candidates for the position of Community Television Director next Thursday, September 22, 2016. After they complete their interview process they will forward to me their recommendations which I will take under consideration when determining the two to three finalist that I will be interviewing for the position.

Finally you may have noticed that if you go to the Town's website, all televised meetings are available directly from the department or committee's webpages. I am not sure how we were able to make this change to more easily access town meetings, but thanks should be given to Anne O'Brian for making it happen.

Town of Fairhaven, MA

Mandatory Water Ban Announced

MANDATORY WATER USE RESTRICTION

As a result of the continued below normal precipitation and declining groundwater and surface water resources the Town of Fairhave is implementing a **BAN on NONESSENTIAL outside water use**. This **BAN** is in accordance with recommendations by the Massachusetts Office of Energy and Environmental Affairs and Drought Management Task Force. This BAN is necessary to ensure adequate water supply continues to be available for essential public health and fire protection needs.

Nonessential outdoor water use shall mean those uses that are not required:

- for health or safety reasons;
- by regulation;
- for the production of food and fiber;
- for the maintenance of livestock;
- to meet the core functions of a business (for example, or irrigation by plant nurseries or agricultural operations as necessary to maintain stock or establish new plantings, wash equipment to prevent damage and/or maintain performance, pest management and plant cooling); or
- for irrigation by golf courses as necessary to maintain tees and greens, subject to the Town's approval.

Nonessential outdoor water uses that are subject to mandatory restrictions include:

- Irrigation of lawns via sprinklers or automatic irrigation systems;
- Washing of vehicles, except in a commercial car wash or as necessary for operator safety or to prevent damage and/or maintain performance of agricultural or construction vehicles or equipment; and
- Washing of exterior building surfaces, parking lots, driveways or sidewalks, except as necessary to apply paint, preservatives, stucco, pavement or cement.

Exceptions to nonessential outdoor water uses are:

- Gardens, flowers and ornamental plants by means of a hand-held hose
 - between the hours of 6AM to 8 AM and 6 PM to 8 PM only
- Irrigation with harvested and stored storm water runoff between the hours of 6AM to 8 AM and 6 PM to 8 PM only

The following outdoor water uses are subject to review and approval by the Town of Fairhaven, through its Board of Public Works:

- irrigation to establish replanted or reseeded lawn or plantings
- irrigation of newly planted lawns (seeded or sodded) for homes or businesses newly constructed in the previous twelve months;
- Filling of privately owned outdoor pools; and
- irrigation by golf courses as necessary to maintain tees and greens.

Residents who are currently on a private well are encouraged to participate in the current restrictions due to the drought situation across the State.



August 18th
Town of Fairhaven
5 Arsene St.
Fairhaven, Ma 02719

Attn: Linda Schick

We are excited to offer our Wellness Services for Town of Fairhaven. Based on discussions we are proposing the following agreement and terms.

OBJECTIVE

To provide Total Fitness wellness services at your Fairhaven facility located at Fairhaven Council on Aging. This will include programming from our certified instructors to be available for the staff of the Town of Fairhaven.

OUR RESPONSIBILITIES

- a. Provide wellness programming for 1 hour, 2 days a week, Monday and Thursday evenings at 5:00pm. (2 total hours per week, 8- week sessions - - 1 session for a cumulative total of 16 programming hours.)
- b. TOTAL FITNESS will provide marketing materials and flyers to Linda Schick for distribution to staff.
- c. TOTAL FITNESS will provide surveys to participants at the start and finish of each session. Results will be reviewed with Linda Schick to maximize participation and wellness programming mix.



YOUR RESPONSIBILITIES

- a. Clearly post TOTAL FITNESS, Wellness Services information in a general area for employees to see. Send out marketing materials through staff email blast.
- b. Provide a clean, quiet, well lit space, free from clutter for which programs can take place
- c. Ensure that maximum participation in group style classes is capped at 20 participants. For groups in excess of 20 participants, an additional instructor is required, at the rate and terms agreed upon below.

TERMS

- a. TOTAL FITNESS will invoice Town of Fairhaven 16 class hours per session. Payment due within 30-days of invoice.
- b. Payments can be made to TOTAL FITNESS CLUBS
- c. Rates apply for 0-20 participants in a group exercise setting; 21-40 participants require an additional instructor. The hourly fee will be adjusted if an additional instructor is required.
- d. Either party may terminate this agreement with 60 days written notice prior to the start of the next session, for any or no reason.

CLOSING

We appreciate the opportunity to provide our services to your employees. If you wish to accept these terms please sign one copy, which may be faxed to 508-995-5699. Please contact me if you have any additional questions. We look forward to working with your company.

Sincerely,

Julie Fostin

Offsite Programming Manager

juliefostin@totalfitnessclubs.com

AGREED:

Name and Date



Charles K. Murphy
Robert Espindola
Daniel Freitas

Town of Fairhaven
Massachusetts
Office of the Selectmen

40 Center Street
Fairhaven, MA 02719

Tel: (508) 979-4023
Fax: (508) 979-4079
selectmen@Fairhaven-MA.gov

Attachment C

September 20, 2016

MEPA Office
Executive Office of Energy and Environmental Affairs
100 Cambridge Street, Suite 900
Boston, MA 02114

Re: EEA#15576 Shared Use Path - Phase 1B

Dear Ms. Czipiega and Secretary Beaton,

The Town of Fairhaven has enjoyed the presence of a shared-use path in our town since 1999. Over many years our residents and seasonal visitors have looked forward with great anticipation to the extension of this path into Mattapoisett. The existing path provides access to a newly protected area that is a joint project of both Towns along with the Coalition for Buzzards Bay. Increased responsible enjoyment of our regions coastal areas, as well as increased education about the fragile coastal ecology is important to our town.

As a town whose geography shares many features with the surrounding towns, and especially with neighboring Mattapoisett, we fully appreciate the many dimensions of care with which public projects must be implemented in environmentally sensitive regions. We understand that the project has proceeded carefully according to the rigorous environmental policies of the Massachusetts Department of Transportation (MassDOT) and planning has included regulators from many agencies with jurisdiction over coastal waters. Residents from neighboring towns will benefit from the increased public access the shared use path will afford. Also, the shared use path constructed on a former rail bed is consistent with our regional growth management policies as we understand them.

Because of our experience working with the professionals who regulate coastal development because we hope the project will be completed according to the schedule anticipated by MassDOT, we respectfully request that EOEA allow the project to proceed to state permitting without further review by the MEPA office.

Sincerely,
Fairhaven Board of Selectmen

Charles K. Murphy, Sr., Chairman



Town of Fairhaven
Department of Planning & Economic Development

Town Hall • 40 Center Street • Fairhaven, MA 02719
Telephone (508) 979-4082 • FAX (508)-979-4087

Memorandum

Date: September 14, 2016

To: Mark Rees, Town Administrator
Board of Selectmen

From: William D. Roth, Jr., AICP
Planning and Economic Development Director

RE: CDBG 16 – Grant Administrator

On September 12, 2016, proposals were received for the above referenced Grant Administrative Services. One proposal was received Breezeway Farm Consulting, Inc.

I reviewed the one Grant Administrator proposal we received. I am recommending Breezeway Farm Consulting, Inc. located in New Salem, MA. They have been the Towns CDBG consultant for over ten years and have provided excellent service.

It is recommended that the Board, at the September 19, 2016 meeting, vote to award them the contract.

cc: File

Anne O'Brien

From: Tom Crotty <tomcrotty@tcrottylaw.com>
Sent: Friday, August 26, 2016 12:50 PM
To: Mark Rees
Cc: Timothy Cox; Anne O'Brien
Subject: RE: Draft - Rules & Regs Aquaculture

Attachment E

All

The following are my substantive comments on the draft regulations.

- 3.2.1 The notice of hearing is also required by statute to include 'the location, area and description of said territory'. That phrase should be added.
- 4.2.1 The words 'shall be a taxpayer of Fairhaven and' should be stricken from section 4.2.1. Licenses cannot be limited to taxpayers, but you may be able to limit licenses to residents of the Town. (I stress that you may be able to restrict the licenses to Town residents. The license is for the use of areas of the waters of the Commonwealth, which are regulated by the Town, but are owned commonly by the people of the Commonwealth. A 'residents only' restriction might be subject to challenge for that reason.)
- 6.3.2 The words 'without any liability for trespass' should be stricken. This section references C.130 s. 32 as the basis for the provision governing equipment which is washed onto shore. But that statute refers specifically to fishing gear, not aquaculture equipment. The legislature has the authority to provide that fishing gear can be removed from private property without liability for trespass. The Town doesn't have the same authority to change the common law. We can require the licensee to recover his equipment from the shore. But we can't promise him that he won't be charged by a private landowner for trespass.
- 6.4.5 I would recommend that this section simply provide that 'Licensees are reminded that they are subject to the provisions of the regulations of the state Department of Public Health CHAPTER 533.000: FISH AND FISHERY PRODUCTS'. When you try to paraphrase other applicable regulations you run the risk of missing or misstating some of their provisions.
- 6.5 If you are going to quote the DMF regulations, rather than simply refer to them generally(see 6.4.5 above), I would suggest you add the rest of that particular provision: 'All gear and waste products, including dead or dying culture animals, shall be disposed of in a landfill or other legal disposal site on land'.
- 8.1 Change the date of January 31 to 'February 28', to comply with the statutory requirement for annual reporting.
- 8.2 As with the Department of Public Health regulations (see 6.4.5 above), I would prefer a general reference to the regulations, rather than attempting to paraphrase the provisions of those regulations.

I would also suggest that you add a provision that a licensee must agree to release the Town, and indemnify and hold the Town harmless, from any claim of injury to person or property, whether to that of the licensee or that of any other person, in any way relating to, or arising from, the issuance of the license, or to or from any act or failure to act by the licensee.

In general I would also recommend that before the final approval of the regulations I will revise some of the language for clarity and consistency.



Town of Fairhaven Rules and Regulations Governing Aquaculture

1. Prologue

The Town of Fairhaven ("Town") advocates the orderly development of aquaculture that is complementary to the existing commercial and recreational shellfishery, as well as the continued development of the waterfront management plan. In determining whether to grant a shellfish aquaculture license, the Town is obligated to protect and preserve the existing public fisheries and to minimize the impact on other uses of the marine environment. The size and scope of an aquaculture license shall co-exist with and not diminish the common property commercial and recreational shellfisheries or other existing water related activities.

2. Authority

- 2.1 The following Regulations concerning aquaculture licenses are adopted by the Town of Fairhaven pursuant to Massachusetts General Laws (MGL) Chapter 130, Section 57-68. Violation of any of the requirements in these Regulations subjects the holder of a license ("licensee") to review and possible revocation of a license at the discretion of the Board of Selectmen.
- 2.2 Approval of a license shall be subject to all federal, state, and local laws and regulations, as in force and as amended from time to time. Compliance with such laws and regulations is required as a condition of a license. Failure to comply with applicable federal, state, or local regulations shall be cause to revoke a license. The licensee is expected to be familiar with relevant laws and regulations.
- 2.3 The Board of Selectmen may declare a moratorium on the granting of licenses at any time when this action is deemed appropriate and in the best interests of the Town. Consideration of a moratorium shall be based upon but not limited to scientific data, environmental factors, diseases, overharvesting, environmental contamination, impact on native stock and species and negative impacts on the use of public waterways where grants are situated.
- 2.4 The Board of Selectmen will consider applications for licenses on a first come first serve basis, within the limitations of acceptable land and water space. A list of applicants for licenses in order of date of application shall be kept on file in the Town Hall. The records shall be open for public inspection during Selectmen's office hours.

- 2.5 The Board of Selectmen may restrict the operation of any license to address unacceptable conditions or practices at the site, or amend other restrictions, as deemed necessary in the public interest. Further, the Board of Selectmen reserves the right to amend these Regulations at any time.
- 2.6 Aquaculture licenses and operations granted pursuant to these Regulations shall be subject to any rules and regulations promulgated by the Division of Marine Fisheries (DMF), including those concerning the use and scope of predator controls in the intertidal zone, and licenses may be further conditioned by the DMF as they deem necessary and appropriate, including species to be propagated and the source and movement of seed shellfish.

3. Application Process

3.1 Application Submittal

- 3.1.1 Applicants desiring a license shall be required to complete and submit all information and forms required by the Town, and shall be submitted under the pains and penalties of perjury. Any information on a license application that is determined to be untruthful before or after approval of any license application shall be grounds for denial and/or forfeiture of a license.
- 3.1.2 The applicant shall provide a plan of the project including all aspects of the management and operations of the project to the Board of Selectmen. The application shall include a map or plan of the proposed project locating the licensed area accurately, and describing the licensed area in metes and bounds. Applicant shall provide a list of all abutting waterfront property owners and associations, and any existing aquaculture license holders, within five hundred (500) feet of any point along the perimeter of the requested licensed area. Additionally, the applicant should include a proposal of the benefits of the Town's waters and the overall shellfish population. Narrative shall include clearly stated public benefits as a result of the Aquaculture proposed. The public will be notified of public hearings held by the Fairhaven Marine Resources Committee and the Board of Selectmen concerning the application and abutters will receive written notification of the application and Board of Selectmen hearing on the proposed grant.
- 3.1.3 The applicant shall also submit any other information as requested by the Board of Selectmen.
- 3.1.4 There shall be a non-refundable application fee of one hundred dollars (\$100.00) of which one dollar (\$1.00) is a recording fee, and the remainder is for costs incurred in reviewing the application. The application fee must be submitted with the completed application from Application fee and are subject to change.
- 3.1.5 No application shall be deemed received until all the requirements for submittal of an application have been met. The Town assumes no responsibility or liability for incomplete or missing attachments. Any application that is incomplete for a period of 6 months shall be denied without prejudice.

3.2 Public Hearing and Notice

- 3.2.1 The Board of Selectmen shall notify the applicant at least (30) days prior to the public hearing of the time, date, and place of the hearing. Notice of the Public Hearing shall be posted in three (3) or more

public places, and published by the applicant in a newspaper with local distribution at least fourteen (14) days prior to the date and time of the hearing. The notice of Public Hearing shall state the applicant's name and residence, date, time and place of Public Hearing, and the filing date of the application. All cost associated with publication are the responsibility of the applicant.

- 3.2.2 Upon receiving a completed application, the Board of Selectmen shall forward copies of the application to the Shellfish Warden, the Harbormaster and the Marine Resources Committee for comment. Written comment shall be returned to the Board of Selectmen within thirty (30) days of being received by the committee. In reviewing the application, the Board of Selectmen may consider, but is not bound by, submitted comments.

3.3 Approval Process

- 3.3.1 Upon reviewing the application, and following the public hearing, the Board of Selectmen may approve an application with or without conditions or deny an application. Applications shall be granted or denied in writing within sixty (60) days after receipt of the written application and subject to such terms, conditions and regulations as the Board of Selectmen deem proper.
- 3.3.2 In the event the Board of Selectmen approves the application, but prior to granting a license, the applicant shall request an inspection and certification of the licensed area by the Division of Marine Fisheries ("DMF") that the granting of a license and operation there under will cause no adverse harm on the shellfish or other natural resources of the Town. Failure of the DMF to so certify shall be deemed a denial of a license.
- 3.3.3 Upon certification by the DMF, the Board of Selectmen may grant a license. Unless closed for municipal cultivation under provisions of M.G.L. Chapter 130, Section 54.
- 3.3.4 The granting of a license does not relieve the applicant from obtaining any other necessary licenses, approvals, and/or permits prior to conducting operations, including, but not limited to the U.S. Army Corps of Engineers, Massachusetts Department of Environmental Protection, or any division of the same, the Town's Conservation Commission, all as may be applicable.
- 3.3.5 The granting of a license may be conditional upon obtaining all licenses, approvals and/or permits. All licenses, approvals and/or permits required to use a license shall be appended to a license. A copy of all approved aquaculture licenses shall be kept on file in the Selectmen's Office. The records shall be open for public inspection during regular Selectmen's office hours.
- 3.3.6 In reviewing an application for a new or amended license; or for license renewal or transfer, the Board of Selectmen shall determine whether the shellfish aquaculture plan proposed by the applicant meets all of the requirements of these Regulations and the waterfront management plan; and whether the plan proposed by the applicant is designed so as to cause no substantial adverse effect on the shellfish or other natural resources of Town; and will minimize impact on other uses of the marine environment. The Board of Selectmen reserves the right to approve or deny the issuance of an aquaculture license if deemed appropriate and in the best interest of the Town.
- 3.3.7 For any renewal without amendments, the licensee need not file a new application.

4. Licenses

4.1 Existing Licenses

- 4.1.1.1 Aquaculture licenses in existence before the date of issue of these Regulations remain subject to the requirements of the Division of Marine Fisheries 322 CMR and the provisions of MGL Chapter 130 as revised; as well as any prior requirements stipulated by the Town of Fairhaven at the time the license was granted.
- 4.1.1.2 Aquaculture licenses in existence before the date of issue of these Regulations, and their subsequent renewals, shall be subject to the requirements stipulated in these Regulations, with the exception of sections 4.2, 5.3, 5.4.1, and 6.4.1.
- 4.1.1.3 Any proposed expansion of aquaculture license areas in existence before the date of issue of these Regulations shall be treated as a new license and shall be subject to all of these Regulations.
- 4.1.1.4 All license renewals subsequent to expansion shall be 'all inclusive' and shall be renewed together. Staggering of license periods for one expanded area will not be considered.

4.2 Eligibility

- 4.2.1 The applicant shall be a taxpayer of Fairhaven and must show proof that they are residents of The Town of Fairhaven for one year prior to submission. Residency while engaged in a permitted aquaculture business in Town waters is required.
- 4.2.2 The applicant shall be 18 years of age or older.
- 4.2.3 The applicant must be able to demonstrate documented evidence of education or experience in shellfish propagation and aquaculture that is acceptable to the Fairhaven Board of Selectmen. This may be supported by a certificate of education from an accredited educational institution, or a letter from a license holder describing the type of work performed and any other information which might be relevant.
- 4.2.4 The applicant shall have no prior shell fishing violations.
- 4.2.5 The applicant must be a U.S. Citizen.

4.3 Annual Fee

4.4 Duration and Renewal

- 4.4.1 Licenses granted by the Board of Selectmen are intended to be on a trial basis. To start, licenses may be granted for a 3 year period with a compulsory 2 year review by the Board of Selectmen. Licensees

may request, only after the compulsory review, a renewal of the license for the third year. Renewal shall be subject to the approval of the Board of Selectmen.

- 4.4.2 The first license renewal shall be for a three (3) year period, subsequent renewals shall be no more than 10 years.
- 4.4.3 The Board of Selectmen shall review each license at the end of their term to ensure a reasonable amount of shellfish has been planted and produced on the licensed area during the preceding year. The Board of Selectmen shall have the right to waive the minimum production requirements in any year wherein there is evidence that the failure to meet the minimum standard is due to events beyond the control of the license holder.
- 4.4.4 Any license granted by the Board of Selectmen may, within two years before the expiration of its then current term, be renewed from the expiration of the original term for a further term, each term not to exceed 10 years.
- 4.4.5 The provisions applicable to the original license shall, so far as apt, apply to a renewal.
- 4.4.6 Renewals shall require public notice in accordance with the requirements of these regulations. For any renewal without amendments, the licensee need not file a new application.

4.5 Transfer of License

- 4.5.1 Licenses are granted to and for the exclusive use of a licensee. Subleasing or sale of the licensed area, a portion of the licensed area or of the license is prohibited. The licensee or those employed by the licensee's aquaculture business are the only parties allowed to harvest and tag shellfish from the permitted aquaculture grant.
- 4.5.2 Except as provided herein, licenses are renewable, heritable and transferable subject to the approval of the licensing authority and pursuant to MGL Chapter 130.
- 4.5.3 A licensee proposing to transfer his/her license shall first notify the licensing authority in writing that he/she no longer wished to operate a license and requests transfer of his/her licensed area to a designated recipient. Such recipient shall thereupon file an application with the Town. The application shall be treated, insofar as applicable, as a new application. This section shall be in accordance with sections 4.2.1-4.2.4 of this document.

4.6 Liability and Insurance Requirements

- 4.6.1 Licensee is required to maintain business liability insurance and a performance bond sufficient to cover the costs of gear removal and site restoration. Said bond shall be a surety bond in the amount determined by the Board of Selectmen. In order to provide reasonable estimate for the value of the bond, (documented attempts to get) no less than three written quotations for the removal of the applicants proposed equipment in the event of default or required salvage post storm or other event. All quotations shall be applied a safety/inflation factor based on the average of the last 10 NE CPI2 for the expected duration of the license period. Said insurance and bond shall be fully executed with an effective term identical to the period issued with that of the aquaculture license. Documented evidence of said insurance and bond shall be on file at the Fairhaven Town Hall and shall be a

requirement for obtaining final approval by the Board of Selectmen. License renewal shall be granted only if annual catch (shellfish production) reports are submitted in a timely fashion along with Bond and Insurance information for each licensed year.

- 4.6.2 The licensee shall not hold the town liable for any damages or injury to the licensed area, or any injury on the licensed area.

4.7 Penalties/Revocation Policies

- 4.7.1 Failure of the licensee to comply with the provisions of any rule of regulation, term, condition, statute, or law, or lack of substantial use of the licensed area, may result in an order to revoke the license.
- 4.7.2 Revocation of any license pursuant to Section 4.7.1 shall be preceded by a public hearing held in accordance with the Open Meeting Law. The licensee shall be entitled to be present and have counsel and cross examine any witnesses and present witnesses on his or her behalf.
- 4.7.3 The penalty for violations of any of these Regulations shall be as follows. After a written warning, the licensee has five (5) days to comply. After the fifth day, a fine not more than one hundred dollars (\$100.00) for each offense shall be issued. After thirty-five (35) days of non-compliance, the licensee shall have his/her license revoked. The Board of Selectmen shall have the right to waive fines or license revocation when there is evidence that the failure to comply within the require time is due to events beyond the control of the license holder.

5. Licensed Area

5.1 Applicable State Regulations

The location of the proposed licensed area must meet all requirements of the Division of Marine Fisheries 322 CMR, the provisions of MGL Chapter 130, in addition to any terms, conditions and/or restrictions set forth in these Regulations.

5.2 Town Review Requirements

- 5.2.1 All proposed license areas are subject to review by the Harbormaster, findings to be submitted to Marine Resources Committee.
- 5.2.2 All proposed license areas are subject to review by the Marine Resources Committee. The Marine Resources Committee shall make a recommendation to the Board of Selectmen regarding the suitability of the proposed licensed area.

5.3 Total Size

- 5.3.1 A licensed area shall be determined when license is issued. All licensed areas shall not exceed 2 acres, unless they were granted before these regulations were ratified.

- 5.3.2 A license holder can apply for an extension to a licensed area or an additional licensed area after completing the 3rd year of operation with the original license. The license holder must have a proven record of properly managing the original licensed area, and following all of the town and state laws, along with a proven success record of planting, producing and marketing shellfish, before submitting an application to the town for an expansion to a licensed area, or an additional licensed area.

6. Operations

6.1 Time of Use

In accordance with MGL Chapter 130 Section 68; no person shall dig, take or carry away shellfish or shells between one-half hour after sunset and one-half hour before sunrise, by any method whatever, from any waters, flats, or creeks licensed under these Regulations. A licensee or employee of a license violating this Paragraph may result in a forfeit of the license and all shellfish remaining on the licensed area.

6.2 Equipment Type

- 6.2.1 The type of equipment used (floating, submerged or bottom-mounted cages, bags, buoys, or stakes) may be restricted by the Board of Selectmen in the licensed area by recommendation of the Marine Resources Committee.
- 6.2.2 Any changes to the type of equipment used in the licensed area shall be subject to the prior approval of the Board of Selectmen and require public notice and hearing in accordance with the requirements for an application of a new license.

6.3 Equipment Markings

- 6.3.1 All unusable gear shall be removed from a licensed area and either disposed of properly or moved to an appropriate site.
- 6.3.2 In accordance with MGL Chapter 130, Section 32, if gear, tackle or other equipment leaves the licensed area for any reason and is deposited on the shore, beaches or flats, whether public or private, a licensee must recover the equipment within fifteen (15) days from the time of its deposit without any liability for trespass; provided, that a licensee in so doing does not commit any unreasonable or wanton injury to the property where the equipment is deposited. In the event a licensee does not recover the equipment within fifteen (15) days, the Town shall recover the equipment, at the expense of the licensee.
- 6.3.3 When a license is terminated for any reason, the prior licensee shall be required to remove all gear, tackle or other equipment from the licensed area within thirty-five (35) days of the licensed termination date. Any and all gear, tackle or other equipment not removed within thirty-five (35) days may be removed by the Town at the expense of the prior licensee.

6.4 Transplanting and Harvesting of Shellfish Product

- 6.4.1 No person shall plant, transplant, sell or have in their possession seed shellfish, without first obtaining a state seed permit or an aquaculture permit, or be listed on said seed permit.

- 6.4.2 No person shall transplant shellfish seed, seed stock, or stock from any public fisheries within the Town into a licensed area for purposes of stocking licensed aquaculture areas with such seed or stock.
- 6.4.3 All seed shellfish transferred to the licensed area shall be obtained from hatcheries certified by the DMF and as approved by the Board of Selectmen on the license.
- 6.4.4 The licensee shall not remove or introduce any seed shellfish from or to any waterway other than from the licensed area.
- 6.4.5 In accordance with Massachusetts Dept. of Public Health Regulations:
- (a) Shellfish harvesters must be licensed by the Massachusetts DMF
 - (b) Shellfish transported by a harvester shall be adequately protected from temperature abuse and environmental contamination
 - (c) Every container of shellfish must have a proper and completed harvester tag attached to it prior to landing
 - (d) Proper harvest area designations must be used on harvester tags
 - (e) A shellfish harvester may sell shellfish using a transaction card, only to a properly permitted Massachusetts wholesale dealer
 - (f) A harvester shall retain a copy of each transaction slip for 90 days
 - (g) Harvesters are exempt from federal seafood HACAPP regulations (21 CFR 123).

7. Monitoring

- 7.1 The Shellfish Constable and/or assistants shall have authority to inspect the licensed area at any time, and said inspection may include any and all containers on the site. In the event that the Shellfish Constable and/or assistants have reason to believe that inspection of the contents of any or all containers on the site is in the best interest of the town, the Shellfish Constable and/or assistant shall contact the licensee by telephone or by leaving a notice at the address of the licensee indicated on the license, however, advising the licensee that the Town intends to inspect the contents of containers on the license and further inviting the licensee to be present at the time of said inspection. In the event that the Shellfish Constable and/or assistant do not receive a response from the licensee within 48 hours of notification by phone or written notice, the inspection of containers may be conducted without the presence of the licensee.
- 7.2 The Town of Fairhaven reserves the right at any time to obtain samples of any shellfish from a licensed area for the purpose of certified testing for disease and in order to assure that the activities being performed under the authority of this regulation are in accordance with the terms and conditions described herein.

8. Reporting

- 8.1 In accordance with MGL-Chapter 130 Section 65; Every licensee or transferee of a license shall submit on oath on or before January 31 in the year following the period of operation, each year to the Board of Selectmen a report of the total number of each kind of shellfish planted, produced or marketed during the preceding year upon or from such licensed area, and an estimate of the total number of each kind of shellfish at the time of such report planted or growing thereon. The Board of Selectmen may specify a reasonable yearly market value to be produced by each shellfish license. Failure of the licensed shellfish

project to meet such a value for any three consecutive years thereafter may result in a forfeit of the shellfish aquaculture license and licensed area.

8.2 In accordance with Division of Marine Fisheries 322 CMR 15.08 (4);

- (a) All licensed aquaculture operations shall submit annually to the Division the following information before January 31 for the preceding calendar year:
 - I. Production by weight, volume, or number;
 - II. Amount and sources of seed or juveniles purchased;
 - III. Source and disposition of brood stock;
 - IV. Disease problems and unexplained mortality;
 - V. Use and amount of chemicals, antibiotics or drugs.
- (b) It shall be unlawful for the holder of an aquaculture permit to falsify or fail to submit the required annual report.
- (c) All information submitted pursuant to this subsection shall be held in confidence, and may not be released except in summarized form, or in response to a valid court order.



Town of Fairhaven

Town Hall • 40 Center Street • Fairhaven, MA 02719
Telephone (508) 979-4023 • FAX (508)-979-4079

Memorandum

Date: September 14, 2016

To: Mark Rees, Town Administrator
Board of Selectmen

From: William D. Roth, Jr., AICP
Planning and Economic Development Director

Wayne Fostin
Building Commissioner

RE: Auto Dealer/Repair -2016 Site Plans – Status Update

Per your request the following is a status update on the outstanding Auto Dealer/Repair - Site Plans.

Alden Buick GMC (Dealer/Repair):

Bill Roth has spoken with the owner and their engineer at the end of August and informed them that they need to provide an up-to-date plan. He also informed them that they had three months to provide the plan.

Town Administrator recommendation: grant extension until November 14, 2016.

Auto Diagnostic (Repair Only):

On Tuesday morning August 30, 2016, Wayne Fostin visited Automotive Diagnostic and informed the owner we were still waiting on his site plan. The owner was upset because he did this in 2000 and did not see why he had to do again, Mr. Fostin explained why the Selectmen were requiring it from all license holders. The owner said he would comply but did not give a date as to when he would submit the plans. Mr. Fostin will follow up.

Town Administrator recommendation: grant extension until October 14, 2016.

Fairhaven Gas, 134 Huttleston Ave Valero's) (Dealer Only):

A plan was submitted this week and has not been reviewed.

Roth/Fostin-Recommendation: We will review the plan and get comments to Lori Pina by the September 23, 2016.

RRR Auto Sales (Dealer/Repair):

Mr. Roth contacted the owner on August 16th and informed him that the Special Permit plan will not be acceptable and that he will need to revise the plan to illustrate how he is using the site, including Copeland Street (paper street). Mr. Roth spoke to the owner on September 14th to get an update and the owner informed Mr. Roth that he wanted to meet with the Selectmen because he feels his Special Permit Plan should be acceptable.

Town Administrator recommendation: invite owner to the next Selectmen's Meeting.

Ray's FHN Repair (Repair Only):

On Tuesday morning August 30, 2016, Wayne Fostin met with the owner of Rays Fair Repair and asked why we have not received his plan and was told that he just return to work from shoulder surgery and asked if he could have a couple of months to comply, Mr. Fostin told him that he would speak with the Town Administrator and get back to him with an answer.

Town Administrator recommendation: grant extension until October 14, 2016.

Sarkis Enterprises (A&A Auto) (Dealer/Repair):

A revised site plan was submitted and was reviewed by both of us. The plan required additional revisions. The dimensional requirement of display spaces and access isles on portions of the plan were not correct. When the proper dimensions are used it appears that the number of car permitted may not be able to fit and a reduction of the license maybe necessary. The owner and their engineer met with both of us on June 28, 2016 and we reviewed the comments and discussed several options. Since that meeting Mr. Roth contacted the Engineer on September 12th, and the engineer requested three weeks to submit a revised plan.

Town Administrator recommendation: grant extension until October 14, 2016.

Fairhaven Getty (Dealer/Repair):

The owner and his engineer met with both Mr. Roth and Mr. Fostin on August 17th, to discuss the plan requirements. Mr. Fostin spoke to Ken Motta of Field Engineering on September 12th, and was informed that he has a meeting with the owner and the owner's lawyer and will advise Mr. Fostin of the outcome.

Town Administrator recommendation: grant extension until October 14, 2016.

Spring Street Garage:

No revised site plan has been submitted.

Mr. Dussault came to Mr. Roth's office on August 26th at 11:20 am, with the plan he had previously submitted and kept on reiterating that his plan complied. Mr. Roth explained that the plan needs to be revised to show the actual layout of the spaces and not just a note that says "12 cars in this area". He saw no need to do that and felt his plan complied.

Roth/Fostin -Recommendation: Recommend the Board of Selectmen to send the owner a letter indicating that they are out of compliance, have not responded to the requested revisions and request that the owner appear before the Board to discuss the status and delay in submitting revised a plan.

Note: We have been informed that the Spring Street Garage has also not complied with the Tax Payment agreement entered into in March of this year. Recommend that this non-compliance also be part of the hearing.

Town Administrator recommendation: rescind license.

Manny's Service – Bridge Street:

A plan was submitted this week and has not been reviewed.

Roth/Fostin-Recommendation: We will review the plan and get comments to Lori Pina by the September 23, 2016.

Jr's Auto Shop:

Mr. Roth spoke to the owner on September 6th, to clarify the remaining revisions to the plan. The owner was very corporative and understood what was being requested. He informed Mr. Roth that he would contact his engineer and get the revisions as soon as possible. Mr. Roth recommended that he get the plan in within two weeks.

Town Administrator recommendation: grant extension until October 14, 2016.

FY17-18

BUDGET CALENDAR

Board of Selectmen set calendar	September 19, 2016
Board of Selectmen Goal Setting Workshop	October 1, 2016
Capital Budget Instructions distributed	October 3, 2016
Budget Policy Statement Adopted	October 17, 2016
Capital Improvement request due	November 4, 2016
Operating Budget instructions manual distributed	November 22, 2016
Town Manager presents Revenue Forecast	December 5, 2016
Departmental Operating Budget requests submitted	December 31, 2016
School Department submits requested budget	January 17, 2017
Town Administrator CIP plan submitted to Selectmen	February 6, 2017
Town Admin. Rec Oper. Budget submitted to Selectmen	February 6, 2017
Board of Selectmen vote on Capital Budget	February 27, 2017
Selectmen Rec. Oper. Budget submitted to Finance Committee	March 6, 2017
Warrant for Annual Meeting closes	March 6, 2017
Finance Committee Public hearings	March (throughout)
Finance Committee recommendations	March 30, 2017
Warrant to printer	April 7, 2017
Warrant available to Town Meeting members	April 21, 2017
Town Meeting	May 6, 2017

**TOWN OF FAIRHAVEN
FINANCIAL MANAGEMENT
POLICIES AND GUIDELINES**

INTRODUCTION

The following financial management policies and guidelines set forth the broad framework for overall planning and management of the Town of Fairhaven’s financial resources. The policies are intended to be advisory in nature and serve as a point of reference for all policy-makers, administrators and advisors. It is fully understood that Town Meeting retains the full right to appropriate funds and incur debt at levels it deems appropriate, subject to statutory limits such as Proposition 2 ½.

The policies are designed to ensure the Town’s sound financial condition now and in the future. Sound financial condition may be defined as:

- Cash Solvency: The ability to pay bills in a timely fashion
- Budgetary Solvency: The ability to annually balance the budget
- Long-Term Solvency: The ability to pay future costs
- Service Level Solvency: The ability to provide needed services

It is equally important that the Town maintain flexibility in its finances to ensure that the Town is positioned to react and respond to changes in the economy and new service challenges without measureable financial stress.

FISCAL RESERVES GUIDELINES

The Town’s accumulation of prudent reserves is critically important to the fiscal health of the community for many reasons. Reserves are a resource to sustain a community during an economic downturn and may provide for cash flow needs until sufficient revenues are received, reducing or eliminating the need for short-term borrowing. Rating agencies and investors also view reserves favorably as evidence of the community’s financial flexibility. The Town will endeavor to establish and maintain the following reserve levels:

- A. **Surplus Revenue (Free Cash)** – To maintain a certified Free Cash balance of at least three to five percent (3-5%) of the General Fund Operating Budget.
- B. **Stabilization Fund** – To provide long-term financial stability for the Town, while also improving the Town’s credit worthiness and flexibility. The provisions for this fund are dictated by Chapter 40 Section 5B of Massachusetts General Law. This fund can be appropriated for any lawful purpose, including without limitation, an approved school project under Chapter 70B or any other purpose for which the City, Town or District may lawfully borrow money.

Fairhaven will utilize this fund for the “depreciation” or replacement of major pieces of rolling stock or operating equipment such as fire engines, rescue vehicles, backhoes,

graders, rollers, street sweepers, trucks and the like. Purchases should be made utilizing equipment replacement reserves and accumulated interest earnings without the necessity of relying on outside funding. Continued maintenance of this fund will benefit the Town in the long run.

The Town should maintain a Stabilization Fund balance of at least seven percent (7%) of General Fund operating budget with a minimum of five percent (5%) after appropriation for capital-improvement or equipment. The Fund should be replenished within three (3) years to seven percent (7%).

~~Or possibly~~ *Alternately*, have two stabilization accounts: one that would ~~not be touched with~~ *be maintained at* 5% (five percent) and a second stabilization account for equipment and improvements with 2-3% (two to three percent) replenished within three (3) years.

- C. **Employer Health Insurance Trust Fund** – It shall be the policy of the Town of Fairhaven to hold a reserve in the Health and Dental dedicated fund in an amount not to be less than three (3) months of average costs of Health and Dental assessments including all administrative fees. Additionally, at no time shall the fund hold less than one million, six hundred thousand dollars (\$1,600,000) in reserves at the close of any fiscal year. The ~~Executive Secretary~~ Town Administrator shall report the status of the Trust Fund to the Board of Selectmen in February of each year and make the necessary adjustments in conjunction with the Town Finance Director. Should an additional appropriation be necessary to restore the fund to its minimum balance, the ~~Executive Secretary~~ Town Administrator shall bring forth an article for a Special or Annual Town Meeting for approval by the Board of Selectmen.
- D. **Overlay Reserve** – To establish an annual Overlay Reserve for tax abatements and exemptions at an appropriate level based on an analysis of historical data and specific circumstances such as a property revaluation project. The Overlay Reserve is to be determined with the assistance of the Assessors.
- E. **Reserve Fund** – The Town currently has a Reserve Fund that is controlled by the Finance Committee. The Town has established and maintained an operating Reserve Fund, which provides for emergency expenditures ~~and unanticipated revenue shortfalls. These funds are to be used to avoid cash flow interruptions, generate interest income, eliminate need for short term borrowing and assist in maintaining an investment grade bond rating.~~ The amount of money to be held in this reserve should not be less than ~~\$100,000~~ 4 percent of budgeted expenditures in the General Fund, less capital purchases and debt service. The actual reserve level will be determined as part of the budget adoption process.
- F. **Other Post-Employment Benefits Trust Fund (GASB 45)** – It shall be the policy of the Town to maintain a reserve in the Other Post-Employment Benefits (OPEB) trust fund and to budget and recommend appropriation of \$50,000 (minimum) per year to the trust fund.

Use of Reserves: To the maximum extent possible, the Town shall only appropriate reserves

such as Unreserved or Unassigned Fund Balance (Free Cash), Stabilization Fund and Overlay Surplus for one-time, non-recurring expenses such as capital projects and equipment. It is understood that at times, reserves may have to be used to support the operating budget due to state aid reductions or other unexpected revenue and/or expenditure challenges. If such use of reserves is necessary in a fiscal year to maintain an adequate level of essential services, the Town should strategically plan on reducing and then eliminating the use of reserves in the coming fiscal years and restoring the balance in its reserve accounts.

FINANCIAL PLANNING AND MONITORING GUIDELINES

Long-term financial forecasting and constant monitoring of current revenue and expenditure trends are vitally important to maintain quality service levels and fiscal discipline. As a result, it is the policy of the Town to undertake the following:

- A. **Multi-Year Financial Forecasting** – Establish and maintain an on-going financial planning model that projects revenues and expenses over the next five (5) years by using five (5) years of historical data and other fiscal trend analysis.
- B. **Monitor and Track Current Year Financial Activities** – Constantly monitor revenue and expenditure activities and publish periodic reports for policy-makers, administrators and department heads. To meet this objective, the Town should implement improved financial management systems and software to create the required revenue and expenditure reports, reduce duplication of effort, and maximize productivity of finance department staff.

CAPITAL PLANNING & DEBT SERVICE MANAGEMENT GUIDELINE

The Town's willingness and ability to address its capital needs (infrastructure, facilities, equipment, etc.) is very important to the community's quality of life and fiscal stability. At the same time, the Town must maintain a sound debt structure and debt ratio to ensure that all debt obligations will be satisfied without sacrificing the quality of on-going operations and/or burdening future generations with large debt obligations. To that end, it is the policy of the Town to undertake the following:

- A. **Capital Improvement Plan** – The Town shall establish and maintain a five (5) year capital improvements plan, updated annually, to develop capital financing strategies consistent with these policies, and to integrate any new operating costs associated with capital projects into the annual operating budget. The Town should capitalize expenditures of at least ~~\$25,000~~20,000 and having a useful life of more than five years.
- B. **Debt Service Guidelines** – The Town will strive to budget at least three percent (3%) of the general fund annual operating budget (excluding debt service) on debt service for capital maintenance and equipment costs. This amount does not include the debt for Community Preservation, Enterprise funds, debt exclusions and self-supported debt.

- C. **Debt Maturity Guidelines** – The Town will strive to limit the average maturity of its debt to five (5) to ten (10) years with a maximum of twenty (20) years. By adopting a conservative maturity schedule, the Town will not only reduce interest costs on its bonds but also recognize that capital needs will continue to be identified and recommended.
- D. **Alternative Financing Strategies** – The Town will continually pursue opportunities to acquire capital by means other than conventional borrowing, such as grants and low and no-interest loan programs such as MWPAT, Rural Development and other state and federal programs.
- E. **Cash Flow** – The Town will prepare and update cash flow statements for each bonded project to borrow only those funds necessary, and to schedule debt payments over the course of the fiscal year.
- F. **Reconciliation & Record Keeping** – The Town will periodically reconcile debt-related records of the Finance Director/Town Treasurer, and will annually determine if any unissued bond authorizations needed to be rescinded at Annual Town Meeting.
- G. **Internal Borrowing** – The Town will utilize the option of internal borrowing when fiscally prudent to do so.
- H. **Debt Issuance** – The Town will work closely with its Financial Advisor and Bond Counsel to ensure that all legal requirements are met and that the lowest possible interest rate can be obtained. To that end, the Town Administrator, Finance Director/Town Treasurer will prepare and present a financial presentation to rating agencies in advance of a permanent bond issue, and every effort will be made to secure as high a bond rating as possible.

REVENUE ENHANCEMENT GUIDELINES

To continue to maintain a reasonable level of services to its citizens and meet all future financial obligations, the Town will proactively seek new revenue sources in the following manners:

- A. **Property Valuations** – In addition to the mandated three (3) year property revaluation, the Town will perform interim valuation upgrades to keep pace with the real estate market and avoid wide swings in assessed values. In addition, the Town will regularly inspect properties to ensure up-to-date property data and identify additional sources of “new growth” revenue.
- B. **Receivables** – The Town will rapidly move all unpaid taxes into Tax Title when authorized by law, and will increase collection rates by increasing the use of a deputy collector and by attaching Town payments to vendors who also owe taxes to the Town.
- C. **Foreclosure Properties** – The Town will aggressively auction off foreclosed properties that are not reserved for Town use, conservation or affordable housing purposes.

- D. **Non-Tax Revenue** – The Town will annually review and analyze fees and charges to determine if they are appropriate and comparable. Each department will be required to review and submit recommendations to the ~~Executive Secretary~~/Town Administrator by January 1st of the year.

BOARD OF SELECTMEN POLICY ON ONE-TIME REVENUES

To stabilize the budget, the Board of Selectmen recommends the following policies:

- A. One-time revenues should only be applied to: capital improvements, property acquisitions, contributions to the stabilization fund and single-year appropriations.
- B. Budgets established in the Annual Town Meeting should be considered to be “fully funded”. As a general rule, there should be no supplemental appropriations to departmental operating budgets in the Fall Town Meeting. (Exception negotiated or non-Union wage adjustments).
- C. Departmental turn-backs available in the Fall Town Meeting should be deposited in the stabilization fund or applied to single year payments of capital improvements or use as part of next year’s surplus revenue. These purchases should not take on debt schedules that require future appropriations beyond what can be funded from the recurring revenue stream.
- D. Encumbrances not expended within ~~—~~90 days of the close of a fiscal year will become part of the next year’s Surplus Revenue.

It is in nobody’s best interest to grow budgets at an unsustainable rate. Failure to maintain this financial discipline will quickly lead to painful decisions. Even by adhering to these recommendations, the rate of increase in some expense categories will place strains on future budgets. By following this policy, the Town of Fairhaven will be in a better position to meet financial challenges if it maintains a disciplined approach to the budget process.

CAPITALIZATION POLICY

Consistent with GASB 34 and the guidelines and recommendations of the Massachusetts Department of Revenue, Division of Local Services, Bureau of Accounts the Town has established the following thresholds and depreciation:

<u>Asset Type</u>	<u>Estimated Useful Life</u>	<u>Capitalization Threshold</u>
Machinery, Equipment and Vehicles	3 to 15 years	\$25,000
Buildings and Facilities	30 years	\$100,000
Building Improvements	30 years	\$50,000
Land	30 years	\$25,000
Land Improvements	20 years	\$25,000
Infrastructures	5 to 40 years	\$150,000

Updated ~~February 15, 2013~~September 19, 2016

Construction in progress will be capitalized only if total cost is anticipated to exceed capitalization threshold.

PROCUREMENT POLICY

Chapter 30B of the Massachusetts General Laws establishes different procedures for the purchase of supplies based on the values of the purchase. The “thresholds” are:

- Purchases for less than ~~\$5,000~~10,000
- Purchases for ~~\$2,500~~10,000 (?) or more but less than \$25,000 (Goods and Services)
- ~~Purchases for \$5,000 (?) or more but less than \$25,000 (Services)~~
- Purchases for ~~\$25,000~~50,000 or more
- Sole Source Procurements

1. *Purchases under ~~\$5,000~~10,000*

For the purchase of goods or services less than ~~\$5,000~~10,000, Chapter 30B requires that you use “sound business practices”. This means you should make a reasonable effort to make sure you are getting your money’s worth.

2. *Purchases ~~\$2,500~~10,000 or over, but under ~~\$25,000~~50,000*

For purchases of **Goods Only and Services** ~~\$2,500~~10,000 or more, but less than ~~\$25,000~~50,000, you must solicit at least three oral or written quotes and award the **CONTRACT** to the responsible, responsive vendor who gives you the lowest quote that meets your purchase description.

~~For purchases of \$5,000 or more, but less than \$10,000, you must solicit at least three oral or written quotes and a Purchase Form must be executed.~~

~~For purchases of \$10,000 or more, you must solicit at least three written quotes and a long form **CONTRACT** must be executed.~~

3. *Contracts ~~\$25,000~~50,000 or more*

For purchases of ~~\$25,000~~50,000 or more, the Procurement Officer must solicit formal advertised bids or proposals and award a contract to the responsible, responsive bidder offering the lowest price.

4. *Sole Source Procurements*

~~The threshold for sole source procurements is now \$25,000.~~

~~The purchases of Sole Source Goods or Services over \$25,000, you must solicit formal advertised bids or proposals and award a contract.~~

The Department heads shall ~~work in cooperation with the Executive Secretary/submit in writing justification for sole source procurement to the~~ Town Administrator ~~to and~~ obtain approval for such goods and services prior to the signing of any contract. A purchase form is then drafted and submitted to the Town Accountant to secure availability of funds and then to the ~~Executive Secretary/Town Administrator~~ for final approval.

INVESTMENT POLICY

Policy Statement – It is the intent of this policy statement for the Town of Fairhaven to invest funds in a manner which will provide for the maximum investment return while securing principal, mitigating investment risk (credit and interest rate), maintaining liquidity for the daily cash flow demands of the Town and conforming to all statutes governing the investment of the Town funds.

Scope – The investment policy applies to all financial assets associated with the General Fund, Special Revenue, Capital Projects Funds, Trust Funds and the Enterprise Funds, including all proceeds associated with bond issues and short-term financing.

Objective – The primary objectives, in priority order, of the investment activities shall be:

1. **Safety:** Safety of principal is the foremost objective of this investment policy statement. Investments of the Town of Fairhaven shall be undertaken in a manner that seeks to ensure the preservation of principal in the overall portfolio. To attain this objective, the Town of Fairhaven will mitigate credit and interest rate risk as well as diversify where prudently possible.

Credit Risk: Credit Risk is the risk of loss due to the failure of the security issuer or backer. Credit risk may be mitigated by limiting investments to the safest types of securities; pre-qualifying the financial institutions, broker/dealers, intermediaries, and advisors with which an entity will do business; and diversifying the investment portfolio so that potential losses on individual securities will be minimized.

Interest Rate Risk: Interest rate risk is the risk that the market value of securities in the portfolio will fall due to changes in general interest rates. Interest rate risk may be mitigated by structuring the investment portfolio so that securities mature to meet cash requirements for ongoing operations, thereby avoiding the need to sell securities on the open market prior to maturity, and by investing operating funds primarily in shorter-term securities.

2. **Liquidity:** The investments portfolio will remain sufficiently liquid to enable the Town of Fairhaven to meet all operating requirements which might be reasonably anticipated using cash forecasting techniques.

3. **Return on Investments:** The investment portfolio shall be designed with the objective of attaining a market rate of return throughout budgetary and economic cycles, taking into account the investment risk constraints and the cash flow characteristics of the portfolio.

The core of investments are limited to relatively low risk securities in anticipation of earning a fair return relative to the risk being assumed.

Standards of Care –

1. **Prudence:** The standard of prudence to be used by investment officials shall be the “prudent person” standard and shall be applied in the context of managing an overall portfolio. Investment officers acting in accordance with written procedures and this investment policy and exercising due diligence shall be relieved of personal responsibility for an individual security’s credit risk or market price changes, provided deviations from expectations are reported in a timely fashion and the liquidity and the sale of securities are carried out in accordance with the terms of this policy.

“Investments shall be made with judgment and care, under circumstances then prevailing, which persons of prudence, discretion and intelligence exercise in the management of their own affairs, not for speculation, but for investment, considering the probable safety of their capital as well as the probable income to be derived.”

2. **Ethics and Conflicts of Interest:** Officers and employees involved in the investment process shall refrain from personal business activity that could conflict with the proper execution and management of the investment program, or that could impair the ability to make impartial decisions. Officers and employees shall refrain from undertaking personal investment transaction with the same individual with whom business is conducted on behalf of the Town of Fairhaven.
3. **Delegation Authority:** Authority to manage the investment program is granted by State Law to the Town Treasurer. The Treasurer shall carry out procedures and internal controls for the operation of the investment program consistent with this investment policy. Procedures should include references to: safekeeping, delivery vs. payment, investment accounting, repurchase agreements, wire transfer agreements, collateral/depository agreements and banking service contracts. No person may engage in an investment transaction except as provided under the terms of this policy and the procedures established by the Town’s Treasurer. The Treasurer shall be responsible for all transactions undertaken and shall establish a system of controls to regulate the activities of subordinate officials.

Safekeeping and Custody –

1. **Authorized Financial Institution:** The Treasurer will maintain a list of financial institutions authorized to provide investment services. In addition, a list will also be maintained of approved security broker/dealers selected by credit worthiness who are

authorized to provide investment services in the State of Massachusetts. No public deposit shall be made except in a qualified public depository as established by state laws.

2. **Internal Controls:** The Treasurer is responsible for establishing controls and procedures in writing to ensure adequate control of the assets of the Town of Fairhaven. The internal controls should protect the Town from loss, theft or misuse. An annual independent audit shall be performed by an external auditor to assure compliance with policies and procedures. The internal controls shall address the following:
 - Control of Collusion: The separation of duties performed by staff who account and record the assets of the Town
 - Ensure written confirmations of all investment and wire transactions
 - Ensure wire transfer agreements are in place with financial institutions

Authorized Investments – The authorized investments allowable for the Town of Fairhaven within statutory limits are those in the list of legal investments pursuant to Massachusetts General Laws Chapter 167, Section 15A.

The Town's investments shall be diversified with maturities not to exceed cash flow requirements.

Financial Reporting – On a quarterly basis, the Treasurer shall provide a financial report detailing all holdings to the Board of Selectmen.

Performance Standards – The investment portfolio will be managed in accordance with the parameters specified within this policy. The portfolio should obtain a market average rate of return during a market/economic environment of stable interest rates. The performance should be compared to appropriate benchmarks on a regular basis.

CASH MANAGEMENT POLICY

Consistent with Massachusetts General Laws, all money belonging to the Town is turned over to the Treasurer who receives and takes charge of all money. Departments turn over all money collected to the Treasurer daily. Mindful of the principals of security, liquidity and yield described in the Town's Investment Policy, the Treasurer shall keep safe that amount of cash necessary for routine transactions and deposit all other money in an appropriate financial institution daily. All departments shall submit a copy of the receipt of all turnovers made to the Treasurer to the Accountant.

Commented [AO1]: Accepted by vote of the Board of Selectmen 12/16/13

DEBT POLICY

Under Massachusetts statutes, the General Debt Limit of the Town consists of a Normal Debt Limit and a Double Debt Limit. The Normal Debt Limit of the Town is two-and-a-half (2.5) percent of the valuation of taxable property. The Town can authorize debt up to twice this amount (Double Debt Limit) with the approval of the State Emergency Finance Board.

There are many categories of general obligation debt which are exempt from and do not count against the General Debt Limit. Among others, these exempt categories include revenue anticipation notes and grant anticipation notes, emergency loans, loans exempted by special laws, certain school bonds, sewer project bonds and solid waste disposal facility bonds (as approved by the Emergency Finance Board), and, subject to special debt limits, bonds for water, housing, urban renewal and economic (subject to various debt limits) and electric and gas (subject to a separate limit to the General Debt Limit inducing the same doubling provision). Industrial revenue bonds, electric revenue bonds, and water pollution abatement revenue bonds are not subject to these debt limits. The General Debt Limit and the special debt limit for water bonds apply at the time the debt is authorized. The other special debt limits generally apply at the time the debt is incurred.

The Town has six basic ways to finance capital projects: pay-as-you-go financing, debt financing, public private ventures, grants, private donations and intergovernmental financing (such as MWPAT interest free loan/grant programs). Over-reliance on any one of these options can be risky to a local government's financial health. It can also restrict the Town's ability to respond to changes in economic and fiscal conditions. The Town's policy makers must be careful to choose the right combination of financing techniques. The Town has regularly taken advantage of the MWPAT interest free/low interest programs to finance sewer capital projects. The Town has also succeeded in financing many capital projects with the pay-as-you-go technique, reducing the debt burden.

Authorization of General Obligation Debt – Under the General Laws, bonds and notes of a Town are generally authorized at Town Meeting requiring a two-thirds affirmative vote. The Town may borrow in excess of the limits of the proposition 2 ½ by a two-thirds affirmative vote of Town Meeting and a majority vote of the voters of the Town. Borrowing for certain purposes also requires administrative approval from the Commonwealth.

Temporary loans in anticipation of current revenues, grants and other purposes can be made without local legislative approval.

Types of Obligations – Under the statutes of the Commonwealth, the Town is authorized to issue general obligation indebtedness of the following types:

Serial Bonds and Notes: These are generally required to be payable in equal or diminishing annual principle amounts beginning no later than the end of the next fiscal year commencing after the date of issue and ending within the terms permitted by law. Level debt service is permitted for bonds or notes issued for certain purposes, and for those projects for which debt has been exempted from property tax limitations. The maximum terms vary from one year to 40 years, depending on the purpose of the issue. Most of the purposes are capital projects. They may be callable and redeemed prior to their maturity and a redemption premium may be paid. Refunding bonds or notes may be issued subject to the maximum terms measured from the date of the original bonds or notes. Serial bonds may be issued as “qualified bonds” with the approval of the State Emergency Finance Board, subject to such conditions and limitations, (including restriction on future indebtedness) as may be required by the Board.

Bond Anticipation Notes: These generally must mature within two years of their original dates of issuance, but may be refunded from time to time for a period not to exceed five years from their original dates of issuance, provided that (except for notes issued for certain school projects that have been approved for state school construction aid) for each year that the notes are refunded beyond the second year, they must be paid in part from revenue funds in an amount at least equal to the minimum annual payment that would have been required if the bonds had been issued at the end of the second year. The maximum term of bonds issued to refund bond anticipation notes is measured from the date of the original issue of the notes, except for notes issued for such State-aided school construction projects.

Revenue Anticipation Notes: Revenue Anticipation Notes are issued to meet current expenses in anticipation of taxes and other revenues. They must mature within one year but, if payable in less than one year, may be refunded from time to time up to one year from the original date of issue.

Grant Anticipation Notes: Grant Anticipation Notes are issued for temporary financing in anticipation of federal grants and state and county reimbursements. They must generally mature within two years, but may be refunded from time to time as long as the municipality remains entitled to the grant or reimbursement.

Revenue Bonds: The Town may issue revenue bonds for solid waste disposal facilities and for project financed under the Commonwealth's water pollution abatement revolving-loan program.

Bond Ratings – The Town's bond rating is as follows: Moody's Aa2.

FRAUD POLICY

Introduction – The Town of Fairhaven is committed to its duty to ensure effective stewardship of public money and other assets and resources for which we are responsible. It is the policy of the Town of Fairhaven to prevent and deter all forms of fraud that could threaten the security of our assets or our reputation. The Town is committed to the prevention, detection, investigation and corrective action relative to fraud.

What is Fraud? – Fraud is a violation of trust that is defined as a deception deliberately practiced to secure unfair or unlawful gain. The term includes but is not limited to such acts as deception, bribery, forgery, extortion, theft, embezzlement, misappropriation of money or assets, false representation, the concealment of material facts relating to any of the above and collusion or conspiracy to commit any or all of the above.

What to Do if You Suspect Fraudulent Activity – The Town recognizes there may only be a suspicion of fraud – thus, any concerns should be reported to the Town Accountant. If the concern involves the Accountant, any concerns should be reported to the ~~Executive Secretary~~/Town Administrator. The Town Accountant has the primary responsibility for the investigation of all suspected fraudulent acts as defined in the policy. The Town Accountant will alert the ~~Executive Secretary~~/Town Administrator of any suspected fraudulent activities.

Actions – All cases of suspected fraud will be investigated and appropriate action will be taken.

Applicability – This Policy applies to all employees of the Town of Fairhaven.

FRAUD

Fraud can cover many activities; however this Policy is directed primarily at financial matters. It may include, but is not limited to:

Misappropriation of Assets

1. Forgery, alteration or misappropriation of checks, drafts, promissory notes or securities
2. Unauthorized use, or disposition of funds or property (for example, misuse of Town-owned computer hardware, software, data and other records; use of Town-owned equipment, vehicles or work time for non-Town purposes)
3. Embezzlement
4. Theft
5. Falsifying time sheets or payroll records
6. Falsifying travel or entertainment expenses and/or utilizing Town funds to pay for personal expenses or for personal benefit
7. Fictitious reporting of receipt of funds

Fraudulent Financial Reporting

1. Improper revenue recognition
2. Improper expense/expenditure recognition
3. Overstatement of assets
4. Understatement of liabilities

Expenditures and Liabilities for Improper Purposes

1. Payments in money or other property, including but not limited to such things as jobs for families and friends, use of vacation properties, discounted or free services in exchange for benefits and other things of value, bribes and kickbacks

General Policy and Responsibilities – The Town will investigate any suspected acts of fraud, or misappropriation of property. An objective and impartial investigation will be conducted regardless of the position, title, length of service or relationship with the Town of any person, group or organization reasonably believed to have committed fraud. Each Department head is responsible for instituting and maintaining a system of internal control to provide reasonable assurance for the prevention and detection of fraud, misappropriations and other irregularities. Management should be familiar with the types of improprieties that might occur within their area of responsibility and be alert for any indications of such conduct.

The Town Accountant has the primary responsibility for overseeing the investigation of all suspected fraudulent acts as defined in this policy. The Town Accountant will immediately notify the ~~Executive Secretary~~/Town Administrator of any fraud investigation. The Town Accountant will involve the Finance Director, Town Counsel, and the Personnel Director. The Finance Committee and others within Human Resources, Legal, or management as deemed

appropriate will be notified. The ~~Executive Secretary~~/Town Administrator will notify the Board of Selectmen.

All department heads or individuals, upon discovery of any violation of this policy, must notify the Town Accountant of the violation. If it is determined by the Town Accountant that corrective action may be provided internally within the department, the department head or individual will notify the Town Accountant as to the steps taken to correct the violation.

Upon conclusion of the investigation, the results will be reported to the ~~Executive Secretary~~/Town Administrator. All significant findings will be reported to the Board of Selectmen. Where there are reasonable grounds to believe that a fraud may have occurred, the Town Accountant may report the incident to the appropriate authorities, which shall include the Board of Selectmen, in order to pursue appropriate legal remedies. The Town Accountant will pursue every reasonable effort to obtain recovery of the assets.

Procedures for Reporting – Any employee who has knowledge of an occurrence of fraudulent conduct, or has reason to suspect that a fraud has occurred, shall immediately notify the Town Accountant. In cases where the employee has reason to believe the Town Accountant may be involved, the employee shall immediately notify the ~~Executive Secretary~~/Town Administrator unless the ~~Executive Secretary~~/Town Administrator is also believed to be involved, and then the Chairman of the Board of Selectmen.

Investigation – Upon notification or discovery of a suspected fraud, the Town Accountant shall immediately investigate the fraud. The Town Accountant will make every reasonable effort to keep the investigation confidential.

When deemed necessary, the Town Accountant shall coordinate the investigation with the Finance Director, outside auditors and/or the appropriate law enforcement officials. Legal counsel will be involved in the process, as deemed appropriate.

It should be noted that there may be certain instances of fraud that will be handled in the normal course of operation that will not result in a separate “investigation” by the Town Accountant. For these cases, periodic communications will be made to the Town Accountant updating the Director of the cases noted and actions taken.

Security of Evidence – Once a suspected fraud is reported, immediate action to prevent the theft, alteration, or destruction of relevant records shall be initiated. Such actions may include, but are not limited to, removing the records and placing them in a secure location, limiting access to the location where the records currently exist, and preventing the individual suspected of committing the fraud from having access to the records. The records shall be adequately secured until the investigation is complete.

Confidentiality – All participants and all persons questioned in a fraud investigation shall keep the details and results of the investigation confidential so as not to violate an individual’s expectation of privacy.

Personnel Actions – If a fraudulent act or acts in violation of this policy or other applicable law is substantiated by the investigation, disciplinary action, up to and including dismissal and appropriate legal action, shall be taken by the Town Administrator.

Whistle-Blower Protection – No employee of the Town, or person acting on behalf of the Town in attempting to comply with this policy shall:

- Be dismissed, or threatened with dismissal;
- Be disciplined, suspended, or threatened with discipline or suspension;
- Be penalized or any other retribution imposed, or;
- Be intimidated or coerced for the reporting or cooperating in the investigation of fraudulent activities which are, or may be, in violation of this policy or other applicable law

Violation of this section of the Policy may result in disciplinary action, up to and including dismissal.

If an allegation is made in good faith, but it is not confirmed by the investigation no action will be taken against the originator. If, however, the allegations were made in bad faith or without a justifiable basis, appropriate disciplinary action may be taken against the individual making the allegations.

Commented [AO2]: Accepted by vote of Board of Selectmen
12/16/13

RECEIPT POLICY

Purposes – To establish policies and procedures for efficient handling and timely turnover of Town monies collected by department, boards and commissions.

Organizations Affected – All departments, boards and commissions of the Town involved in the collection of money.

Definitions

- *Petty Cash* – An amount of money assigned to a department or division, to be used for small purchases or as a cash drawer for making change for customers. The amount remains constant and may include cash, checks, coin or receipts for purchases.
- *Treasurer's Receipt* – The receipt issued by the Town Treasurer to departments, boards and commissions upon receipt of turnovers.

Petty Cash Policy – The policy for Petty Cash and the deposit of monies collected by departments is as follows:

Petty Cash is for the official business only, specifically the making of change to a customer or reimbursement of small amounts for items purchased by employees. Such reimbursements will be approved only upon presentation of the appropriate paid receipts. No employee shall use Petty Cash for personal business, even if the intent is to reimburse Petty Cash.

When a department has collections in cash, coin or checks or other negotiable instruments that total \$500.00 or more, a turnover should be made to the Town Treasurer. If a department has on hand collections less than \$500.00, the monies are to be turned over to the Treasurer, at a minimum, once a week.

Departmental collections not turned over daily are to be held in a location that is secure from potential fire and theft.

Collection of Monies – Departments shall issue all customers a pre-numbers receipt at the time of collection of monies.

Departments shall properly identify all receipts for accounting purposes.

Cash Out – All departments, on a daily basis at a minimum, shall make an accounting of their cash drawer to assess if a turnover is required.

The employee who is responsible for the Petty Cash shall fill out a reconciliation sheet proving the Petty Cash amount.

Departmental Turnovers to the Treasurer – When it is determined that a turnover is required, the appropriate “Schedule of Departmental Payment to the Treasurer” should be completed (available on diskette). This schedule should identify the source of the receipts and the revenue accounts to be credited. The schedule along with all cash, coin, checks and other negotiable instruments that have been collected shall be turned over to the Town Treasurer. There should not be any stapling of cash or checks.

Departments shall identify the amount of each payment, from whom, source of payment and total turnover. When payments are made, the funds are the property of the Town of Fairhaven. In the event a payment is made in error, there shall be no refunds made unless done so through the warrant process. All checks should be immediately stamped “FOR DEPOSIT ONLY”, stamps are available in the Treasurer’s Office.

The Town Treasurer, upon receipt of a department turnover, shall issue a Treasurer’s Receipt for the department. The departments shall forward a copy of the “Schedule of Departmental Payments to Treasurer” to the Town Accountant for verification.

Commented [A03]: Accepted by vote of the Board of Selectmen 12/16/13

POLICY ENDORSEMENTS

Approved:

Chairman, Board of Selectmen

~~Brian K. Bowe~~ Charles K. Murphy, Sr.

Date

Vice Chairman, Board of Selectmen
~~Charles K. Murphy, Sr.~~Robert Espindola

Date

Clerk, Board of Selectmen
~~Robert Espindola~~Daniel Freitas

Date