

Town of Conway • 5 Academy Hill Road • Conway, MA 01341
(413) 369-4235 • info@townofconway.com



October 17, 2017

Sean Cronin
Senior Deputy Commissioner of Local Services
Department of Revenue
Commonwealth of Massachusetts
PO Box 9569
Boston MA 02114

Dear Commissioner Cronin,

Attached please find the Town of Conway's Long Range Financial Plan developed under the Baker-Polito Administration's Community Compact Program.

Through its compact with the Division of Local Services, the Town of Conway agreed to establish a program that develops financial policies, revenue and expenditure forecasts, budget documents and a multi-year capital plan that reflects a community's needs. To assist the town, consulting services were provided by the Franklin Regional Council of Governments. Its Municipal Finance Specialist provided close guidance to and worked collaboratively with local officials leading to the successful completion of this project. In particular, the Town Administrator is recognized for his input and contributions. Significant content of the financial plan reflects practices already implemented and budget documents already in use.

By Finance Committee approval on June 19, 2017 and by Select Board and Capital Improvement Planning Committee vote on June 26, 2017 the Town of Conway has accepted and expressed its commitment to this Long Range Financial Plan. The Town now has a reference and a tool for pursuing consistent practices and guiding sound decision-making.

Congratulations to the Town for this accomplishment, and thanks to the Baker-Polito Administration for making these important improvements possible.

Sincerely,

A handwritten signature in blue ink, appearing to read "Linda L. Dunlavy".

Linda L. Dunlavy
Executive Director

cc Town of Shelburne



Town of Conway

Financial Plan

Statement of Purpose

Municipal government can have a meaningful impact on the quality of life in our town and the experience of the residents who live here. Paramount therefore are the actions and decisions, made collectively and individually, by elected or appointed officials, a full or part-time employees and volunteers. Recognizing the need to protect public trust and enhance confidence in local government, the Town commits to this Financial Plan with purposes to:

- provide a basis for sound and prudent finance related decision-making in the annual budget process
- understand the future impact of present decisions through financial projections
- build continuity and stability into the routine and periodic procedures of municipal government
- enhance accountability in government
- create sensitivity to the potential tax burden placed on property owners
- build and sustain efficiency in government practices
- achieve long-term financial goals and meet future capital needs
- communicate town policies with clarity
- recognize and comply with State and Federal laws and regulations whenever they apply
- identify potential risks and develop corrective action
- provide a reference and information source for local officials and residents

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Municipal Funding Sources

Municipal Funding Sources

Recurring Revenue Sources

The General Fund is the Town's primary pool of money out of which day-to-day operating expenses are paid. Under state law, all money received by the Town is regarded as General Fund revenue and must be deposited to the General Fund (bank) account unless statutes permit or direct otherwise. For town budgeting purposes, General Fund revenue is divided into four categories: property taxes, state aid, local receipts and all other.

Property Taxes

Real property includes vacant land, improved land and building uses categorized and assessed as residential or open space (combined), commercial or industrial. Personal property refers to movable items including business furniture, equipment and machinery, and residential furnishings in second homes. Each year the Assessors assign values to real and personal property, applying adjustments when justified by market changes. They calculate individual owners' tax obligation once the tax rate is approved by the State through the Tax Recap approval process.

The Town's ability to raise tax revenue grows each year through the normal operation of Proposition 2½ and increase in the Town's Levy Limit. The amount of tax revenue (the Tax Levy) actually raised is an annual decision.

State Aid

Annual Cherry Sheet distributions are assigned to Education and General Government. Education aid for the Town includes funds to support local school (Chapter 70), charter school tuition reimbursements and school choice receiving tuition. Under General Government, the town receives Unrestricted General Government Aid, reimbursements for Veterans' benefits and personal exemptions, payments to account for state owned land and library aid. Historically, state aid to local schools is the largest portion of financial support the town receives from the State.

Local Receipts

Listed as Estimated Receipts on the Town's Tax Recap sheet, this group of revenues is predominantly motor vehicle excise income. Also included is investment income, hotel/motel tax, permit and license fees, rentals, and charges. Local receipts are a major contributor to Free Cash, specifically when year-end actual revenue are in excess of estimates that were used to support the Town budget.

Other

All other revenue sources used to support the Town's annual budget fall in to the "Other" category. The use of Free Cash for operations is reflected in this category as well as money drawn from Special Revenue Funds.

Chapter 90

Chapter 90 funds are a State distribution to towns for road surface and road related work on a reimbursement basis. Accepted spending purposes incidental to road work include land acquisitions, engineering services, landscaping, drainage systems, bridges, sidewalks and traffic signals. Funds may also be expended on bikeways, salt sheds and garages as well as machinery, equipment and tools.

Chapter 90 distributions are subject to the authorization and issuance of State Transportation bonds. The amount of funds received by a town is based on a formula that incorporates road miles, population and employment. The percentages that apply to all towns are 58.33 percent, 20.83 percent and 20.83 percent, respectively. Past allocations to Conway are shown in the chart below.

Override

When, in a Town Meeting and then a town-wide vote, residents approve a Proposition 2½ Override, they are allowing a permanent increase in property taxes to fund operations. In the first year, the increase is allocated to specific purposes and departments. In subsequent years, the additional revenue becomes mixed in with other General Fund money. Still an amount equivalent to the increase can each year be appropriated to stabilization funds. Or, the amount of the Override can reflect future annual debt service payment the town expects to incur.

The voters of Conway have approved four Overrides the last of which occurred in 1996 adding \$155,000 to the tax base.

Excess Levy Capacity

Proposition 2½ places limits on the maximum amount of total tax revenue a town can collect from its property owners. That "Levy Limit" automatically increases each fiscal year by 2½ percent plus the tax revenue associated with New Growth. During the annual budget process a local decision is made whether to raise in taxation the maximum allowed under the law or to tax a lesser amount. The difference between a lesser amount and the maximum allowed is "Excess Levy Capacity."

Excess Levy Capacity reflects efforts to slow property tax increases, but it is also a reserve and a revenue source. All or a portion of whatever amount the town chooses not to raise in one year can be captured in a subsequent year or years. The use of Excess Levy Capacity is implicitly approved by Town Meeting when it approves the annual budget.

Historically, the Town has made an effort to create Excess Levy Capacity. Since 2009, capacity has averaged \$295,046 and 7.6 percent of the total tax levy. The highest levels have occurred in three of the last four fiscal years.

The Excess Levy Capacity in the current fiscal year approximates the additional amount of tax revenue available in the ensuing fiscal year. The use of Excess Levy Capacity results in a property tax increase above and beyond what might occur as a result of the annual Levy Limit growth under Proposition 2½.

Non-Recurring Revenue Sources

Non-recurring revenue sources represent income that once spent are not routinely or automatically replenished. Consequently, the most prudent use of non-recurring revenue is to finance non-recurring expenses like capital improvements, emergency costs and unforeseen needs.

Free Cash

Free cash refers to the Town's remaining year-end General Fund balance which is determined to be unreserved, undesignated and not offset by deficits. Primary sources of Free Cash are year-end revenues in excess of projections and unexpended departmental appropriations as of June 30. Free Cash is available for appropriation after July 1 and only after it is certified by the State Department of Revenue's Division of Local Services based on a balance sheet and other documents submitted by the Town.

Although town's frequently use Free Cash as a revenue source for the annual budget, it is regarded as a non-recurring revenue due to its potential volatility. As a rule, Free Cash levels correspond to the swings in local, regional and national economic conditions, are subject to budget practices and unforeseen revenue deficits.

Over 10 years since FY2007, the Town's certified Free Cash has averaged \$535,986 and a robust 9.4 percent of annual revenues. At \$164,803 and 2.7 percent of revenues in FY2016, Free Cash is at its lowest level and continues a trend of increasing use.

Stabilization

The Town's General Stabilization Fund is a "savings" account authorized by MGL Chapter 40, §5B. Money is appropriated into the fund and can be subsequently appropriated out to finance any lawful purpose. Town Meeting can appropriate into the fund by a majority vote, by a 2/3s vote is required to spend from the Stabilization Fund. Stabilization is regarded as a one-time, non-recurring revenue source and as a result is not intended to support town operations.

Special Purpose Stabilization Funds

Special Purpose Stabilization Funds are authorized by MGL Chapter 40, §5B and allow towns to earmark money for specific purposes. A two-thirds Town Meeting vote is required to appropriate money into a special purpose fund and to spend from the fund. Towns may also raise the additional tax revenue and direct it to a special purpose fund. To do so requires a Town Meeting vote and town-wide vote at inception. Thereafter, the Board of Selectmen vote annually whether to continue the tax increase.

The Town of Conway has established four Special Purpose Stabilization Funds: Ambulance, Capital, Town Garage and Grammar School.

Special Revenue Funds

State law has created exceptions to the rule that all local receipts must be deposited to the town's General Fund. Statutes allow municipalities to set aside specifically defined income in Special Revenue Funds. Once deposited to a fund, the revenue can only be expended for purposes specifically defined, also in state law. The use of Special Revenue Funds is reflected in the "Other" category among revenue sources and is reported on the Tax Recap Sheet on Form B-2.

Borrowing within the Town Levy

The town always has the option of borrowing through notes, bonds or a combination of both to fund projects or purchases. Borrowing within the Levy means that the town has the capacity to pay issuance costs and debt service using its anticipated General Fund revenue and that it intends not to raise additional tax income to cover the expense.

This approach works in tandem with a town debt management policy that, among other things, sets a debt ratio – which is annual debt service as a percentage of annual General Fund revenue. As debt service declines over time, the town might authorize further borrowing to bring the ratio back up to the limit.

Borrowing with a Debt Exclusion

A Debt Exclusion is a means to raise tax revenue, above and beyond Proposition 2½ limits, to pay debt service when borrowing, authorized by 2/3s Town Meeting vote, is the funding source for a capital expenditure. Debt Exclusions are most often used in relation to large projects (i.e., a school) or major purchases (i.e., a fire truck). The tax increase only takes effect if approved in a town-wide vote by a majority and only remains for as long as the borrowing term.

Capital Outlay Exclusion

If funds are not available from other sources, the town may raise in one year, all the property tax revenue needed to cover the cost of a major or less-than-major purchase through a Capital Outlay Exclusion. The Town benefits by avoiding the issuance costs and interest expense associated with borrowing. A Town Meeting and town-wide vote is needed to approval the exclusion.

Historical Data Charts

Levy by Class

FY	Res	Open Space	Comm	Ind	Pers Prop	Total Levy
2007	3,001,780	0	72,582	87,736	75,734	3,237,832
2008	2,880,260	0	71,894	127,404	67,541	3,147,099
2009	2,977,115	0	74,527	137,307	88,222	3,277,171
2010	3,101,253	0	74,034	138,476	94,657	3,408,420
2011	3,103,533	0	63,237	155,181	94,138	3,416,089
2012	3,345,540	0	73,459	157,566	102,162	3,678,727
2013	3,177,159	0	68,254	151,623	86,772	3,483,808
2014	3,485,189	0	75,821	140,157	126,059	3,827,226
2015	3,606,468	0	80,078	144,537	145,392	3,976,475
2016	3,733,208	0	81,278	149,096	133,811	4,097,393
2017	4,121,211	0	87,806	198,383	212,335	4,619,735

Revenue by Source

FY	Tax Levy	State Aid	Loc Rec	All other	Total
2007	3,237,832	1,205,956	412,192	495,798	5,351,778
2008	3,147,098	1,244,914	402,405	558,056	5,352,473
2009	3,277,171	1,296,682	411,675	255,368	5,240,896
2010	3,408,421	1,225,585	291,680	806,779	5,732,465
2011	3,416,089	1,194,408	317,640	722,592	5,650,729
2012	3,678,727	940,008	382,032	465,341	5,466,108
2013	3,483,809	852,727	509,544	1,313,737	6,159,817
2014	3,827,226	895,375	319,660	811,937	5,854,198
2015	3,976,476	930,876	554,796	590,849	6,052,997
2016	4,097,394	993,755	388,446	561,747	6,041,342
2017	4,619,735	955,884	403,097	546,630	6,525,346

Chapter 90

FY	Amount
2010	204,211
2011	210,319
2012	60,776
2013	270,255
2014	269,290
2015	403,196
2016	268,546
2017	268,147
avg	244,243

Town of Conway: Budget for Fiscal Year 2017

Excess Levy Capacity

FY	Levy Limit	Max Levy Limit	Total Levy	Excess	% of Max	Ceiling
2007	3,157,530	3,302,706	3,237,832	64,874	1.96	6,132,258
2008	3,291,241	3,424,656	3,147,099	277,557	8.1	6,556,455
2009	3,431,095	3,532,616	3,277,171	255,445	7.23	6,502,324
2010	3,553,176	3,593,203	3,408,420	184,783	5.14	6,494,704
2011	3,686,538	3,708,197	3,416,089	292,108	7.88	6,579,524
2012	3,809,866	3,850,421	3,678,727	171,694	4.46	6,472,074
2013	3,927,641	3,959,528	3,483,808	475,720	12.01	6,357,315
2014	4,077,680	4,101,186	3,827,226	273,960	6.68	6,102,082
2015	4,254,689	4,336,875	3,976,475	360,400	8.31	6,147,922
2016	4,388,072	4,461,143	4,097,393	363,750	8.15	6,141,177

Free Cash

FY	Budget	Balance	% of Budget
2007	5,351,778	665,736	12.4%
2008	5,352,473	400,000	7.5%
2009	5,240,896	664,290	12.7%
2010	5,732,465	421,646	7.4%
2011	5,650,729	767,672	13.6%
2012	5,466,108	914,805	16.7%
2013	6,159,817	380,242	6.2%
2014	5,854,198	578,131	9.9%
2015	6,052,997	402,530	6.7%
2016	6,041,342	164,803	2.7%

New Growth

FY	Res NG value	Res NG applied to Levy Limit	Total NG value	Total applied to Levy Limit	Res NG as % of Total	Prior Year Levy Limit
2008	3,458,100	45,647	4,135,072	54,583	83.63	3,157,530
2009	2,738,000	32,856	4,797,793	57,573	57.07	3,291,241
2010	2,454,000	30,920	2,878,298	36,266	85.26	3,431,095
2011	2,649,500	34,761	3,394,313	44,533	78.06	3,553,176
2012	1,860,500	24,149	2,401,064	31,165	77.49	3,686,538
2013	872,400	12,397	1,585,340	22,528	55.03	3,809,866
2014	1,334,700	18,285	3,784,534	51,848	35.27	3,927,641
2015	1,451,400	22,758	4,787,433	75,067	30.32	4,077,680
2016	1,448,700	23,425	1,670,772	27,016	86.71	4,254,689
2017	2,506,100	41,802	8,715,384	145,372	28.76	4,388,072

Town of Conway: Budget for Fiscal Year 2017

General Stabilization Fund

FY	Budget	Balance	% of Budget
2007	5,351,778	353,409	6.6%
2008	5,352,473	500,078	9.3%
2009	5,240,896	516,139	9.8%
2010	5,732,465	645,977	11.3%
2011	5,650,729	659,770	11.7%
2012	5,466,108	1,015,850	18.6%
2013	6,159,817	1,057,979	17.2%
2014	5,854,198	1,182,828	20.2%
2015	6,052,997	1,595,598	26.4%
2016	6,041,342	<u>jul 1 2015</u>	
2017	6,525,346	<u>jul 1 2016</u>	

Special Purpose Stabilization Funds

Fund	Balance as of:	7-Sep-16
Ambulance		125,946
Capital		432,880
Garage		738,991
Grammar School		188,311

Annual Fiscal Year Budget

Annual Budget Process

Budget Notification to Departments

MEMORANDUM

To: All Departments and Committees
From: Tom Hutcheson
Date: December 3, 2015
Re: **Annual Budget Proposals Due January 8**

Please find your budget worksheet attached. It lists past years' spending as well as your current year's budget (FY 2016); please get your budget to date from our accountant, Joyce Muka (jmuka@frcog.org) if you would like to use that in making your proposal. The worksheet includes a column for your FY 2017 request. I am also leaving hard copies in your mailboxes.

In order to be sure we are budgeting enough for all the work you do, but not too much, please present your budget from scratch, **in terms of your specific projected needs during FY 2017**, and not just a simple carry-over from this year, for all line items. This should include both 1) the completed budget worksheet and 2) **a written explanation** of your expected work and expenses, including your projected budget relative to past expenses. This should be brief but complete, and will be included (perhaps edited) as narrative in the budget I present to the Select Board, the Finance Committee, and the Town. Also, be sure to include all expenses, even if they are small, such as postage and office supplies—we need to know what it really takes for things to run smoothly.

Please complete the worksheet and return it by Friday, January 8. This is necessary to compile the requests for timely distribution and consideration by the Select Board and Finance Committee.

As usual, please do not include a figure on the salary line. A cost of living increase be considered for recommendation by the Finance Committee after they have reviewed the Town's financial situation. Please note that we are also in the process of proposing a town-wide compensation schedule.

Please let me know at 369-4235, ext. 3 or selectboard@townofconway.com if you have any questions. My office hours are Monday through Thursday, 9 to 5 p.m., and Friday, 9 to noon.

Thank you very much.

Budget Process Calendar

MEMORANDUM

To: Board of Selectmen
Finance Committee
Capital Planning Committee
Community Preservation Committee
Town Clerk
Moderator
Department Heads
Assistant to the Town Administrator

From: Tom Hutcheson, Town Administrator

Date:

Re: Budget countdown to Annual Town Meeting and Capital Request form

Here are the dates for the countdown to the 2016 annual Town Meeting and a form for capital requests. Please mark your calendars as appropriate. Please note the two different timelines for capital requests (the form is attached), and departmental budget requests, for which a form will be sent in early December.

- Nov. 6: **Capital budget form** sent to all departments. Departments are to meet with Town Administrator in advance of the deadline if they have a capital request. Deadline: December 18.
- Dec. 4: **Budget request forms** sent to all departments. Deadline: January 8.
- Dec. 18: Capital budgets due to Town Administrator for forwarding to the Capital Planning Committee. (Capital Planning Committee forwards a recommendation to the Board of Selectmen by February 26 for consideration prior to the warrant closing.)
- Jan. 11: Board of Selectmen opens the warrant. Deadline is March 11.
- Jan. 14: Town Report notices sent to all departments and committees. Deadline February 12.

Town of Conway: Budget for Fiscal Year 2017

- Jan. 18: Deadline for all budgets.
- Feb. 12: Deadline for annual reports.
- Feb. 26: Deadline for Capital Planning Committee capital budget report.
- Mar. 11: Warrant closes.
- Mar. 18: Budgets are completed. Warrant and motions sent for legal review.
- Apr. 1: Legal review is complete. All articles and motions are in final form. Finance Committee recommendations are complete and incorporated into warrant.
- Apr. 4: Board of Selectmen signs warrant. Warrant sent to printer asap.
- Apr. 21: Warrant and Town Report mailed to all households.
- May 9: Annual Town Meeting.

Operating Budget Discussion Memo

Budget Discussion: Target for FY2018

November 21, 2016

Last year's free cash was about \$165,000; this year's is about \$204,000.

This year's **levy limit** is \$4,643,146. Next year's will be up \$116,079 (two-and-a-half percent) -plus any new growth. *Assuming no new growth*, free cash and the increased levy limit produce a maximum of \$320,079 available to be spent.

This year's **spending on school operating budgets and transportation** is up \$193,581 from the previous year (see attached sheet). This is up 6.22% in FY17 over FY16, more than its four-year average of 4.43%. (This *does not* include investment in the Conway Grammar School's capital stabilization fund.)

For budgeting purposes, a conservative contingency of 10% could be added to the average rise in school spending, making a rise of 4.87%, or even more conservatively rounding to 5%. **A 5% rise in school spending in FY18 would require an additional \$203,260.**

Taking school spending, \$203,260, out of the total available \$320,079, leaves just \$116,819 to cover all capital items, other special warrant articles, and any pay raise.

Total Town budget, FY 2016: \$6,041,342

Total Town budget, FY 2017: \$6,525,346

% rise in total Town budget FY16-FY17: 7.42%

Maximum FY18 budget with no new growth: \$56,945,425

Increase: \$320,079

% rise in total Town budget FY17-18: 4.68%

Total Town budget with just school rise: \$6,728,606

Rise with just schools: \$203,260

Just-schools % rise: 3.02%

Average increase between just-school rise and maximum rise: \$251,226

Total Town budget with average rise: \$56,776,572

% increase: 3.85%

Amount available for non-school purposes: \$47,966

This year's total levy (FY17 tax) is \$4,619,735, in a total budget of \$6,525,346, or 70.8% of the total budget. So taxes will go up approximately 71% of the increase in the budget.

A maximum 4.68% rise in the total budget (again, assuming no new growth) would be a **3.32% rise in taxes**. A minimum 3.02% rise in the total budget, representing increased spending only on schools, would mean a 2.14% rise in taxes.

FY17 Annual Budget Summary - Proposed

Revenues	
Estimated Levy Limit	4,601,482
Estimated State Aid (net of offset receipts)	831,065
Estimated Local Receipts	249,125
Other Available Funds Used	<u>501,325</u>
Total Revenue	6,182,997
Expenditures	
Article #2	5,258,600
Capital Articles	708,803
Article – Ambulance	21,972
Article - Overlay Reserve	22,550
Cherry Sheet Charges	118,851
Estimated Overlay Reserve	<u>30,000</u>
Total Expenses	6,160,776
Anticipated Excess Capacity FY17	22,221

NB

- 1) confirm tax revenue is 100% of levy limit (include overlay as expense)
- 2) Include total state aid (assessments are listed as an unappropriated expenditure)
- 3) Why both an Est Overlay and an Overlay article??

FY17 Capital Expenditure Summary

Department	Notes	Amount (\$)	Source
Capital or other Money Item			
Town Administrator			
Capital Stabilization	Maintain each year	125,000	Free Cash
Garage Stabilization	Replenishment	100,000	Raise and Approp.
Payroll adjustment	Rise to competitive pay	12,000	Raise and Approp.
General Stabilization		20,000	Free Cash
OPEB (\$40/\$185k)	Toward one year's funding	20,000	Raise and Approp.
Town Hall renovation plan		10,000	Free Cash
Town Office parking lot –paving		10,000	Raise and Approp.
Fire Department			
Front Line pumper	Probably state notes	200,000	Debt exclusion--FY18
		300,000	Capital stabilization
Highway Department			
Concrete pad and truck lifts		50,000	Raise and Approp.
Conway Grammar School			
CGS Capital Stabilization		50,000	Raise and Approp.
Board of Assessors			
Triennial audit portion		10,000	Raise and Approp.
Totals by source	<i>Free cash</i>	<i>156,803</i>	
	<i>Raise and Appropriate</i>	<i>272,000</i>	
	<i>Capital stabilization</i>	<i>300,000</i>	
	Total:	728,803	
Gross Total		728,803	
Total w/o stabilization funds		428,803	
Free Cash		<u>156,803</u>	
NET TOTAL R&A		272,000	

Budget Recommendation Memo

BUDGET FOR FISCAL YEAR 2017

Message from the Town Administrator

Conway's finances are generally healthy, but will need adjustment. Its budget continues to grow at a reasonable rate, which is good news, but there is little new growth to help absorb the increase, which is bad news. It is necessary to raise taxes sufficiently to cover anticipated expenses, both capital and operational (see "Excess Levy Capacity," below) so as not to get too far behind increasing expenses.

The Town is at a fork in the road of fiscal activity, due largely to a historically low amount of free cash. This budget proposes taking the road that continues funding for current services and also provides some modest improvements. Even continuing the current level of service involves higher taxation, as costs rise, even if relatively slowly. This scenario also presumes further growth, whether through commercial or residential improvements or in new construction. The other road would assume no growth, but still some new taxes in the face of inflation. This would of course mean decreased Town services.

I propose the option which assumes some growth, though strong growth remains elusive in the long aftermath of the recent recession. The spending that I am proposing is, I believe, necessary for the best interests of the Town.

The bottom line: Operating revenues available are \$6,182,997, with conservatively estimated expenses of \$6,160,776, for a budget that is just \$22,221 in the black. This includes room for a 2.5% general staff pay rise (as well as a \$12,000 pay rise package for the lowest-paid employees); some of my estimated figures, especially school and insurance, may be greater than the eventual numbers, but the \$22,221 leaves some room for additional expenses there as well.

Revenues and Expenses FY 17	
Estimated Levy Limit	4,601,482
Estimated State Aid (net of offset receipts)	831,065
Estimated Local Receipts	249,125
Other Available Funds Used	<u>501,325</u>
Total Revenue	6,182,997
Article #2	5,258,600
Capital Articles	708,803

Town of Conway: Budget for Fiscal Year 2017

Article – Ambulance	21,972
Article - Overlay Reserve	22,550
Cherry Sheet Charges	118,851
Estimated Overlay Reserve	<u>30,000</u>
Total Expenses	6,160,776
Anticipated Excess Capacity FY17	22,221

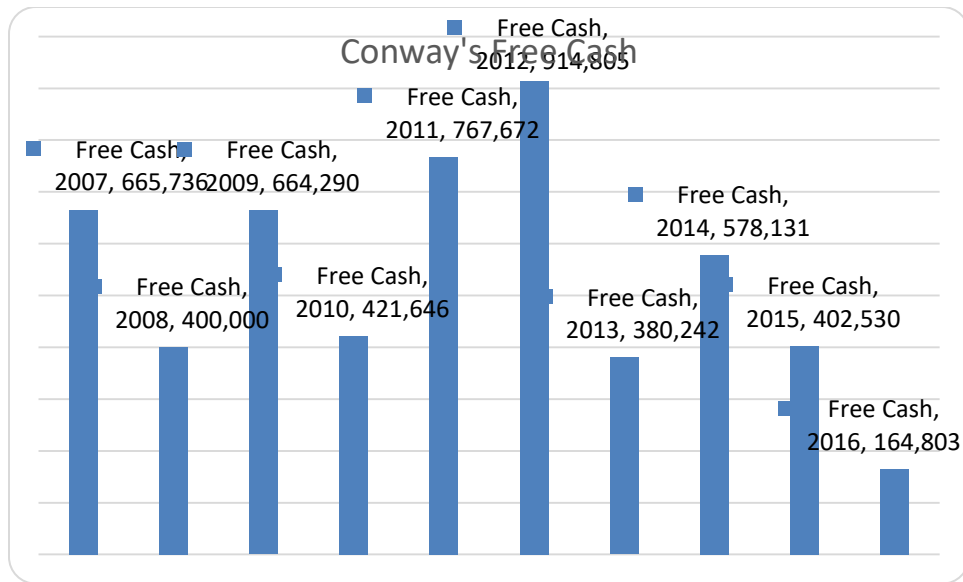
Free Cash

In the recent past, Conway has funded its capital expenses through a combination of free cash and capital stabilization funds. Free cash comes from a variety of resources—about half is made money appropriated but not spent from the previous year, and another half is from a number of smaller revenue sources, including state funds. A few years ago, free cash reached a very high level, partly due to closing out stagnant accounts, and a concerted effort was made to lower it. That effort has succeeded, to the degree that there is now not enough free cash to fund the town’s stabilization fund needs. Certified free cash for FY 2016 in Conway is \$164,803 (\$8,000 of which was spent at the February 8 special Town Meeting).

Free cash is also necessary for any mid-year expenses approved by special Town Meetings. Once the annual Town Meeting has set the operating budget for the town in the spring, the tax rate is set, and no more money can be raised until the next spring. While the Town has a general stabilization fund, this is meant for emergencies, and it could be that maintenance work, equipment, or other projects or purchases prove necessary for the Town in the interim. Without a healthy amount of free cash, the Town might not be able to make those payments, which puts it in a potentially precarious financial position.

The Finance Committee has also favored funding capital projects from capital stabilization, which requires a two-thirds vote at town meeting. In this system, which was used last year, free cash is voted into capital stabilization, and then voted out for specific projects (each vote requiring a two-thirds majority).

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Retiree Health benefits

Another item the Town has funded from free cash is our obligations for a partial payment for health benefits, distinguished from pension obligations as “other post-employment benefits,” or OPEB. The current cost is about \$185,000 per year, or about 3.7% of the Town’s operating budget. Conway and other small towns have traditionally funded OPEB on an annual basis as part of its operating budget. Recently, the Town created a trust fund (as per Massachusetts law) to hold some funds, which can be used only for OPEB. The positive side of this is that it will raise the Town’s credit rating in case of borrowing; the negative side is that it freezes a good deal of money which could otherwise be used for current projects.

Last year, the Select Board and Finance Committee declined to include funding for the OPEB trust fund. Although it is my duty to propose that it be funded, I understand the perspective that prioritizes current needs over future obligations which have historically been, and currently seem, manageable. The main driver of the rise in OPEB is rising health care costs, which is outside of the scope of what the Town can address.

Excess Levy Capacity

Conway currently has “excess levy capacity,” meaning the Town is not taxing its residents to the extent allowed by law. Conway currently has about \$360,000 in excess levy capacity. The Town has been spared the situation seen in some nearby towns in which any expenses that rise over two and one-half percent in one year (e.g., school expenses) must be offset either by proportional cuts in the operating budget or by an override. Increased staffing has and will continue to provide better support for boards, committees, and commissions, and there will be a need for improved information technology support in

the future as well. Rises in operating expenses are being and will continue to be kept within reasonable, justifiable bounds.

Nonetheless, expenses are rising, and free cash has been reined in very tightly. Since the amount of free cash was used in the past as a natural limit to capital spending, and *capital spending must continue* regardless of its source, I anticipate that the Town's excess levy capacity will be used up either this year or next year. This will make all future capital expenses subject to either debt-excluded borrowing or Proposition 2½ overrides.

Since the Town is prohibited by law from raising its taxes more than about \$360,000 (our "levy limit"), and free cash is only providing about \$159,000, with new growth expected to contribute about \$40,000, any more money the Town needs than the total of those items, about \$559,000, would need to come from a Proposition 2½ override. The operating budget is set to rise about 5.14%, or \$270,476. General stabilization, garage stabilization, and Conway Grammar School stabilization together would normally be funded at \$250,000, leaving just \$114,000. I am therefore proposing borrowing for a fire pumper, if that is approved, to supplement capital stabilization funds.

The final prioritization and control of expenses rests with the majority of Conway citizens, as Town Meeting is responsible for the budget and articles it passes. Town officials recognize and appreciate taxpayers' concerns and will continue both to provide relevant information to all and to bring only responsible spending proposals to Town Meeting.

Projected Revenues

Revenue projections are always difficult, as real numbers are not available to towns before the last week of January (usually), when the Governor presents his budget. Please note that current indications are that the state is running a present-year deficit of about \$230 million dollars, which will be made up by budget cuts; the debate will be over where to cut, not whether to cut. This means that next year's budget is not likely to be much larger than this year's budget.

After the Governor's budget is proposed, the House and Senate weigh in with the own versions, and a final version is conferenced only well after Town Meeting. So state aid will not be known; the best practice is to use past years and take some small percentage off, such as 5%. Conway is not experiencing substantial new growth, so there will not be much new revenue from "growth of the pie." This means that any substantial new revenues will have to be approved through raising taxes, and appropriating them where Town Meeting sees fit.

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Projected Expenses

Projected expenses are also preliminary, but are close. Please refer to the last page of this budget for a draft Article 2 for the May 9, 2016 annual Conway Town Meeting.

Based on four broad categories of spending, current expense projections are: general government, \$1,140,970, up a very substantial \$121,290, or 10.6%, from last year's \$1,019,680. Almost half, or 4.73% of this (\$54,000), is due just to health insurance, up \$30,000; information technology, up \$15,000; and legal costs, up \$9,000. Also, public works is proposed at \$667,186, up 2.74% from last year's \$648,904. Public safety is up a small \$539. Although we have not yet received final school, insurance, and FRCOG budgets, estimates have school budgets increasing dramatically, mainly due to health care cost increases, as well as school retirements, which includes back pay for avoided sick days.

However, we know that school expenses are going to rise dramatically this year. Conway Grammar School expenses, the largest single item in our operating budget, are rising substantially, about 4.63%. For Frontier, the first major increase in health insurance in many years, 6.8%, will drive costs up, as will the retirement of many senior teachers, who are being reimbursed for unused sick time. These two items alone will cause a 4.4% increase in Frontier's budget. Finally, *Frontier is, for the first time in some years, losing money as more students are choosing out than are choosing in.*

In addition, the entire free cash sum is \$164,803. This is expected to be spent on capital items, for a Town operating budget, using the school budget estimate, of \$5,258,600. This is a 5.14% projected rise from last year. Last year's rise was a very small 1.4%, so the two-year average is 3.27%, almost the same as the rise from FY14 to FY15, 3.22%. Total Town expenses are estimated at \$6,160,776.

Total estimated revenues are \$6,182,997, *which includes using up almost all of our excess levy capacity.* Conservatively estimated total expenses are \$6,180,776, for a budget that is just \$22,221 in the black.

Nationally, in 2015, the economy grew 2.4 percent, the same as in 2014. It may be that increases in Town costs will outpace local, state, and national economic growth for some years to come. This would increase the likelihood of having to pass overrides even to maintain Town operations, let alone improve them.

Capital Items

Capital Improvement Planning Committee

The new Capital Improvement Planning Committee has been looking at the capital stock of the town and working on a capital replacement schedule for vehicles, town buildings (including mechanical systems),

Town of Conway: Budget for Fiscal Year 2017

and other town equipment. This should make budgeting for capital expenses much easier. It will be necessary to devote substantial resources to the capital stabilization fund—a minimum of about \$125,000 per year, and more, once capital costs for building maintenance are projected—as well as continued funding for the other stabilization funds. With free cash of only \$164,803 this year, such stabilization funds will have to be raised specifically by a two-thirds vote for taxation.

Conway's Capital Situation

The town has a general stabilization fund for emergencies, a garage stabilization fund, a general capital stabilization fund, and a Conway Grammar School capital stabilization fund. I will note that the Grammar School is twenty-five years old, so regular investment in its capital stabilization fund is more necessary than ever.

Balances as of December 31, 2015 were:

General Stabilization:	\$395,706.95
Capital Stabilization:	\$423,109.84
Garage Stabilization:	\$722,596.94
Grammar School Stabilization:	\$184,029.48
Ambulance Stabilization:	\$123,216.80*

**Funded through ambulance receipts*

The current capital plan calls for about \$125,000 to be spent each year on departmental vehicles and equipment alone, with no consideration of long-term building maintenance. There is even a possibility that state funds will not be available for bridge repair. Conway has 13 bridges, each with a replacement cost of at least \$1.5 million, and these should be replaced every 50-75 years. Bridge engineering fees alone could be \$100,000 per bridge, and the Town is responsible for those fees. I have in the past proposed investing \$30,000 per year in a new bridge stabilization fund; however, given the level of capital requests this year, and the commencement of our new Capital Improvement Planning Committee, which will be reviewing Town capital expenses as a whole and recommending an investment plan, I am withdrawing that request for the present, as well as a request to pave the parking lot of the Town Office (32 Main Street).

Four Possible Capital Projects

Please note that stabilization funds are discussed as part of the operating budget. The projects below represent additional capital spending, with the exceptions of money for stabilization being requested for a new town garage, and also, possibly, for work at the transfer station.

1. The Town is still considering a **new Highway Garage**, though the Town's votes in FY 2014 indicated that less money will have to come from borrowing, which means more will have to come from capital stabilization. Taxpayers should understand that the state expects towns to pay for this kind of project out of their own funds, so there are no grants for this kind of construction.

A strong majority of the Town has indicated a desire for a new Highway garage, though two votes failed narrowly to receive the necessary two-thirds super-majority. This indicates that any borrowing should be minimal—less than that proposed in the earlier votes—which in turn means that the garage stabilization account should be built up to a stronger position than it was when the issue was brought before the voters two years ago. The \$100,000 I am requesting would still not bring the fund back to the earlier level—missing that mark by \$50,000—but would prepare the Town for next year, when it could start making the necessary additional investments to bring the borrowing down to a level acceptable to residents. The current proposed repayment, together with last year's \$50,000, may be thought of as a cost of not approving the project when it was proposed in 2014.

2. The Town Hall is being insulated, using Green Communities money, which will improve its functionality, and the upstairs gym is being used as temporary space by various Town boards and committees. Existing space is very tight, with written complaints on hand, and the former gym upstairs seems the only possible location for new offices. An overall **Town Hall Improvement Project** would also involve making the upstairs accessible to all, which would require installing an elevator or lift. These improvements would provide the Town with an accessible police station; reasonable space for its permitting bodies and other committees; and increased storage space for a growing number of historical documents. I am recommending \$10,000 be allocated for a plan, or "conceptual design," which would provide a design, a cost estimate, and bid documents.

3. The Wastewater Committee is investigating the possibility of **downtown wastewater management**. Anticipated state funds have been slow in being applied; meanwhile, the Wastewater Committee continues to hone a design to bring to Town Meeting, whatever the source of funding.

4. There has been a good deal of interest in **senior housing**. Using funds provided at the May, 2015 Town meeting, the Housing Committee awarded the contract for a feasibility study to LDS Associates, who have completed the town survey and a market analysis, which were not site-specific. The goal is a 12-unit complex, preferably with additional space for a small senior center.

Notes on selected FY 2016 Special (Money) Articles

In Articles 4 and 7 of last May's Town Meeting, the Town voted \$60,000 to replace a dump truck and \$46,000 to replace the body of a dump truck/sander. These items have both been purchased and are at work for the Town.

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Article 10 from last May authorized \$25,000 for work on the current garage; we have developed priorities, which include replacing the overhead doors and re-building the bathroom. As of this writing, specifications are being developed for both projects, which should move forward this spring.

Article 18 provided \$5,000 for a personnel study, including updated job descriptions and a classification and compensation plan. The study is almost complete, with two options being considered and used to help formulate this budget. Approval will be sought from both the Personnel Committee and the Select Board.

Article 25, for community preservation expenses, allocated \$22,055 for determining the demand for, and feasibility of, a community housing project on Town land. The Housing Committee has hired a consultant and completed a survey of Town residents over the age of 55; a market analysis has also been completed. They are now proceeding to conceptual designs and estimated infrastructure, construction, and other costs and may have a proposal for this May's Town Meeting.

Finally, at the end of FY 2015, the Town Office roof sprang a leak. At the Town Administrator's request, the Finance Committee encumbered \$11,000 for roof work from FY 2015 Reserve Funds, and work on the roof was completed in October, 2015. This included an inspection of the Town Hall roof, with some necessary repairs made to the slates.

Notes on Projected FY 2017 Special (Money) Articles

A variety of requests for annual Town Meeting warrant articles were received. Due to the lower-than-usual free cash amount, I am recommending borrowing for \$200,000 of the fire pumper's cost, with the remaining to come, as planned, from capital stabilization.

Town of Conway: Budget for Fiscal Year 2017

Recommended Spending

Department	Notes	Amount (\$)	Source
Capital or other Money Item			
Town Administrator			
Capital Stabilization	Maintain each year	125,000	Free Cash
Garage Stabilization	Replenishment	100,000	Raise and Approp.
Payroll adjustment	Rise to competitive pay	12,000	Raise and Approp.
General Stabilization		20,000	Free Cash
OPEB	Toward one year's funding	10,000	Raise and Approp.
Town Hall renovation plan		10,000	Free Cash
Fire Department			
Front Line pumper	Probably state notes	200,000	Debt exclusion
		300,000	Capital stabilization
Highway Department			
Concrete pad and truck lifts		50,000	Raise and Approp.
Conway Grammar School			
CGS Capital Stabilization		50,000	Raise and Approp.
Board of Assessors			
Triennial audit portion		10,000	Raise and Approp.
Totals by source	<i>Free cash</i>	<i>156,803</i>	
	<i>Raise and Appropriate</i>	<i>252,000</i>	
	<i>Debt exclusion</i>	<i>200,000</i>	
	<i>Capital stabilization</i>	<i>300,000</i>	
	Total:	908,803	
Gross Total		908,803	
Total w/o Debt		708,803	
Total w/o stabilization funds		408,803	
Free Cash		<u>156,803</u>	
NET TOTAL R&A		252,000	

The approximately \$360,000 in excess levy capacity, together with the \$154,803 in free cash (after the February 8, 2016 special Town Meeting), provides about \$514,803 (plus perhaps \$40,000 from new growth) that can be spent without an override. An appropriation of \$252,000 for all money items, including capital items, *but not including any rise in the operating budget*, would mean a rise of approximately \$1.00 in the tax rate. The FY 2016 tax rate is \$16.68, so that would mean about \$17.68 per thousand.

So, this budget also includes borrowing \$200,000 for the fire pumper. This is a relatively large expense and needn't be paid in one year. The total estimated total cost is \$495,000, and \$300,000 is slated to come from the capital stabilization fund. As discussed before, the days of funding capital expenses solely, or even largely, from free cash seem to be over, at least for the moment.

An estimated additional \$270,476 in operating expenses (see Projected Article 2 at the end of this budget) and \$252,000 in money articles together would mean a total of \$522,476 in new spending, or an approximate \$2.11 added to the tax rate. **If Conway had that tax rate this fiscal year—FY 2016—\$2.11 plus \$16.68 would be \$18.79, or the tenth highest out of the twenty-six municipalities in Franklin County**, a not unreasonable position for a town with Conway's property values. Still, more free cash would have meant less of a rise this year.

Significant Budgetary Items and Trends

Education

Education costs are dramatically higher this year. Conway now has two students at Smith Vocational and Agricultural High School, both of whom need transportation. In addition, health care and retirement costs are adding substantial costs. Please see below, under *Education, Health, and Human Services*, for a more detailed treatment.

Payroll

Town Meeting approved a job description, classification, and compensation study last May, and the results are in. Job descriptions have been updated and made consistent, and a classification plan has been proposed, along with a proposal for wage and salary ranges for all positions. Currently, Conway pays somewhat less than the average of comparable towns. In order to pay Conway way employees competitively—promoting retention and improving the quality of job applicants—total payroll should rise about \$32,000. Still, I am proposing just a \$12,000 rise, to bring our least-paid employees up to the regional or comparative minimum pay. This is not an overly large increase, and would send a strong message to employees that their work is valued.

Highway

The major increases in the Highway budget include \$4,000 for a part-time clerk (3½ hours per week), \$10,000 for hard pack for building up gravel roads to improve drainage; and \$18,000 for fully funding the increased cost of salt (all figures are approximate). With reductions in other areas, overall spending will increase just under \$17,000.

We are also considering a shift of the Building Maintenance account and duties from the Town Administrator to the Highway Department. While this is not expected to have major financial consequences, it would shift the account management and provide flexibility in performing minor jobs.

Information Technology (IT)

The Town has been operating with a very basic IT system, without full functionality or adequate security. Upgrades have been in place, based on past Town Meeting votes, and the shape of the necessary system is clear. Now we need to budget for equipment replacement, internet access and subscriptions, maintenance, and technical support. This is projected to cost about \$20,000 annually, a large enough item so that I am proposing a new line item for IT (MUNIS number 159).

Financial Policies

As budgets continue to tighten, Conway should develop formal financial policies that reflect a consensus between the Select Board, Finance Committee, Capital Improvement Planning Committee, and staff for an appropriate excess levy capacity; the definition and maintenance of capital equipment; the spending of free cash; debt limits; and other possible areas for formalizing policy.

The Budget Process

The Town Administrator starts working on the budget in October, preparing the timeline (below) and sending a memo to all departments or line items included in the Town Meeting Article 2 operations budget (though regional budgets, and the Conway Grammar School Budget, come in later). Capital items are the first to be requested; the Capital Improvements Planning Committee gets the requests soon after they are due (this year, December 18).

At the same time, the Town Administrator prepares operating budget request forms for each department, showing the past three year's expenses and the current year's budget. (Departments may request up-to-date expenses from the accountant. As the pattern of spending varies widely between departments, a five- or six-month expense figure may or may not be helpful; department heads are the best judge of that.)

Town of Conway: Budget for Fiscal Year 2017

The rest of the schedule for FY 2017 budget development is fairly self-explanatory, and follows here:

- Nov. 6: **Capital budget form** sent to all departments. Departments are to meet with Town Administrator in advance of the deadline if they have a capital request. Deadline: December 18.
- Dec. 4: **Budget request forms** sent to all departments. Deadline: January 8.
- Dec. 18: Capital budgets due to Town Administrator for forwarding to the Capital Planning Committee. (Capital Planning Committee forwards a recommendation to the Board of Selectmen by February 26 for consideration prior to the warrant closing.)
- Jan. 11: Board of Selectmen opens the warrant. Deadline is March 11.
- Jan. 14: Town Report notices sent to all departments and committees. Deadline February 12.
- Jan. 8: Deadline for all budgets.
- Feb. 12: Deadline for annual reports.
- Feb. 26: Deadline for Capital Planning Committee capital budget report.
- Mar. 11: Warrant closes.
- Mar. 18: Budgets are completed. Warrant and motions sent for legal review.
- Apr. 1: Legal review is complete. All articles and motions are in final form. Finance Committee recommendations are complete and incorporated into warrant.
- Apr. 4: Board of Selectmen signs warrant. Warrant sent to printer as soon as possible.
- Apr. 21: Warrant and Town Report mailed to all households.
- May 9: Annual Town Meeting.

REVENUES

State revenue projections for FY 2016 were overly rosy, and the state budget is ready to be cut by about \$320M. That said, the cherry sheet (state aid) is only one source of revenue to consider. Others are local taxes (the FY 2017 tax rate has not been set; taxes are shown here as the levy limit, though Conway has not taxed to that figure for some time); new growth; local receipts; money from stabilization accounts; overlay surplus; and free cash.

Estimated revenue figures are as follows:

Revenue Summary	FY 2014 Actual	FY 2015 Actual		FY 2016 Actual	FY 2017 Projected
Table 1: Property Tax Levy					
Tax Levy	3,827,226	3,976,476	Levy Limit	4,254,689	4,388,072
Prop 2.5%	95,681	99,412		106,367	109,701
New Growth	51,048	75,067		27,016	40,000
Debt Exclusions	23,506	82,186		73,071	63,709
<i>Subtotal</i>	<i>3,997,461</i>	<i>4,233,141</i>		<i>4,461,143</i>	<i>4,601,482</i>
Table 2: State Aid					
164803+25000+175000 +50000+27562 Chapter 70	602,704	606,379		610,004	612,684
Charter School Reimbursement	2,812	16,569		40,440	7,339
Offsets (School Lunch, School Choice)	96,541	129,413		126,837	0
Unrestricted General Government Aid	154,737	159,028		164,753	171,837
Veterans' Benefits	6,254	4,337		4,430	4,430
Exemptions: VBS, Elderly	8,079	7,664		9,791	0
PILOT	22,479	35,061		35,061	34,775
<i>Subtotal</i>	<i>895,375</i>	<i>960,876</i>		<i>993,755</i>	<i>831,065</i>
Table 3: Local Receipts					
Motor Vehicle	218,253	200,000		200,000	200,000

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Interest & Penalties	16,862	10,000		25,000	15,000
PILOT (other than Cherry Sheet)	500	-		-	-
Fees	38,018	30,000		25,000	25,000
Rental	-	-		125	125
Licenses and Permits	3,488	3,000		2,000	2,000
Fines and Forfeits	4,930	3,000		2,000	2,000
Investment Income	7,125	6,000		5,000	5,000
Miscellaneous Non-recurring	191,420	-		0	0
<i>Subtotal</i>	<i>480,596</i>	<i>252,000</i>		<i>259,125</i>	<i>249,125</i>
Table 4: Available Receipts					
Free Cash	578,131	402,530		164,803	156,803
General Stabilization	60,000			25,000	0
Ambulance Reserve	87,485	87,692			21,972
Capital Stabilization Fund	120,000	125,000		175,000	300,000
Garage Stabilization Fund	90,000	100,000		0	0
CGS Stabilization Fund		50,000		0	0
Overlay Reserve	-	-		27,562	30,000
<i>Subtotal</i>	<i>1,057,276</i>	<i>903,563</i>		<i>442,365</i>	<i>501,325</i>
Operating Revenues	6,430,708	6,097,580		6,106,388	6,182,997

It is important to note that as property owners in the Town continue to add land to tax-exempt or tax-reduced status, the tax burden is increased on the properties that continue to pay taxes. With approximately 4,500 acres out of 24,500, or about 18%, of potentially taxable property (excluding state forests, etc.) fully tax exempt, combined with the current zoning by-laws, additional growth in the tax rolls will be difficult to achieve. Even normal growth in expenses will require a steady rise in the tax rate to the levy limit, at which point overrides will be necessary just to keep pace with inflation, let alone allow for any growth in expenses.

EXPENSES

General Expenses

The major item this year is an adjustment of staff pay, both hourly and salary, to make Town positions competitive regionally—that is, to bring any positions which are not being paid at least the mid-point of regional figures up to that figure. This is the result of the Human Resources study, funding for which was passed at Town Meeting last year. Our consultant has done a thorough review of all Town job descriptions and presented a classification and compensation schedule to the Personnel Committee and Select Board. The bottom line is that staff pay could rise about \$12,000, before including a regular raise as usually proposed by the Finance Committee, though all of this would of course still be dependent on a Town Meeting vote.

Overall, operating expenses are expected to rise considerably, up 5.14%. Last year's rise was a very small 1.4%, so the two-year average is 3.27%, almost the same as the rise from FY14 to FY15, 3.22%. Of course, a more level rise is preferable, but is not always possible.

School costs together are rising about 6.9%, which is substantial, but will seem even more so compared with last year's unusual 1.4% total rise in operating costs (town and school together). The major increases in the school side of the budget are increases in health care and the payout of accumulated sick time to a larger-than-usual number of retiring senior teachers. Health care is up 6.8% for last year, but under two percent averaged over the last four years. This is simply the year that there is a single large increase in that item. The retiring senior teachers will cost about \$125,000.

The major items in the Town side of the budget are the increase in health care costs, at about \$30,000 (again, 6.8%); the upgrade of the Town's information technology system, involving about a \$15,000 increase; and an increase of almost \$17,000 in the Highway budget (not including any pay increase), covering materials (additional hard pack to build up the gravel roads) and increased salt expenses. Some Highway costs have gone down, which has helped keep the bottom line increase reasonable.

Due to the success of the Finance Committee in reducing operating budget overages, free cash is at its lowest point in many years—\$164,803. A two-thirds vote is needed to move money to or from stabilization funds, so assuming that capital expenses will be met from capital stabilization account, this makes approval of the Town's capital expenses a higher hurdle than before.

The other side of this is that the lower amount of free cash is obviously not enough to pay for the Town's capital expenses. Therefore, some funds for capital needs will now, and for the foreseeable future, have to be raised and appropriated. While the amount of free cash available previously formed a

natural limit on capital needs, with only a few items being funded through other sources, the Town will now have the opportunity—and challenge—to fund its capital needs without that natural limit.

2016 Budgets by Category and Department

I have grouped various accounts together to give a broader view of Town spending. These include the four overall categories of General Government; Public Safety; Public Works; and Education, Health and Human Services. Basic information is directly below; detailed information follows.

General Government includes the most line items, and includes the budgets for the Moderator; Board of Selectmen; Finance Committee; Reserve Fund; Audit; Assessors; Treasurer/Collector (under “Treasurer”); Assistant Treasurer/Collector (under “Collector”); Town Administrator; Legal; Town Clerk; Board of Registrars; Elections; Finance (Bonds; Insurance; Debt; Employee Benefits); committees with budgets (Personnel; Parks, Recreation, and Trails; Historical Commission; and the Festival of the Hills); the permitting bodies—the Conservation Commission, Planning Board, and the Zoning Board of Appeals; and the Franklin Regional Council of Governments. The combined budget for this category is approximately \$1,140,970.

Public Safety includes Police; Fire; Ambulance; Emergency Management; and the Animal Control Officer. The combined budget for this category is \$192,280.

Public Works includes Highway; Building Maintenance; and the Tree Warden. The combined budget for this category is \$661,726.

Education, Health and Human Services includes the Conway Grammar School (Operating and Transportation); the Technical Schools (Franklin Regional Technical School and Smith Vocational and Agricultural High School); Frontier Regional High School (Operating and Transportation); the Board of Health; the Council on Aging; and Veterans’ Services. The combined budget for this category is estimated at \$3,263,624.

Each entry shows budgeted amounts from FY 2013. **Tentative amounts are put in *italics***; this includes salary levels, shown only in order to help create a realistic bottom line. It is understood that any increases in salary are subject to Finance Committee review.

PLEASE NOTE: All amounts below in *italics* are either estimates or salary lines waiting for a decision on pay raises.

General Government

The total general government budget is proposed to be approximately \$1,140,970, with possible changes due to insurance rates and salary changes. For major budgets, the highest single figure is over half that total, and is as usual for employee benefits, at \$581,186. The next several highest figures are town administration, at \$90,763 (representing considerably more than salaries, including all telephone, technical services, the Town Report, office expenses, and more); debt service, at \$66,710; insurance, estimated at approximately \$77,850; the Assessors budget, at \$53,561; the Treasurer's budget, at \$52,275; the reserve fund, at \$40,000; and the Town Clerk's office, at \$29,325. The Tax Collector's budget is \$16,981, and the audit is \$13,000. Other items are less.

Moderator (114) and Board of Selectmen (122)

No changes are proposed in either the Moderator or Board of Selectmen budget lines. Both legal expenses and professional/technical expenses have been moved elsewhere in the budget, Legal to 151, and Professional/Technical to 150.

Moderator (114)	FY2013	FY2014	FY2015	FY2016	FY2017
	Budget	Budget	Budget	Budget	Requested
	350	350	350	350	350

Board of Selectmen (122)	FY2013	FY2014	FY2015	FY2016	FY2017
	Budget	Budget	Budget	Budget	Requested
Selectboard Salaries	5,400	5,400	5,400	5,400	5,400
Selectboard Legal Expense	5,000	0	0	0	0
Selectboard Dues	600	600	600	600	600
Selectboard Conferences	500	500	500	500	500
Selectboard Prof/Tech	2,500	0	0	0	0
TOTAL	14,000	6,500	6,500	6,500	6,500

Finance Committee (131), Reserve Fund (132), and Audit (135)

Finance Committee spending and the Reserve Fund are level-funded. The Select Board has voted in favor of a biennial audit, as recommended by the Treasurer, for which \$13,000 is requested. An additional \$2,500 is needed for an end-of-year audit for the Department of Education and Social Services. (This is often wrapped into the annual audit, but is only a triennial process.)

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Finance Committee (131)	FY2013	FY2014	FY2015	FY2016	FY2017
	Budget	Budget	Budget	Budget	Requested
	300	300	300	200	200

Reserve Fund (132)	FY2013	FY2014	FY2015	FY2016	FY2017
	Budget	Budget	Budget	Budget	Requested
		40,000	40,000	40,000	40,000

Audit (135)	FY2013	FY2014	FY2015	FY2016	FY2017
	Budget	Budget	Budget	Budget	Requested
Audit Expense	13,000	13,000	13,000	13,000	15,500

Assessors (141)

Please note that the Assessors are also requesting, as usual, a special article for property re-evaluation, this year, for \$10,000, an installment for the regular triennial process.

Assessors (141)	FY2013	FY2014	FY2015	FY2016	FY2017
	Budget	Budget	Budget	Budget	Requested
Assessor Salary	4,305	4,200	0	4,200	4,200
Assessor Clerical	32,409	30,309	32,270	39,948	39,948
Assessor Deeds/Plans	100	50	40	25	25
Assessor Postage	50	50	40	25	25
Assessor Dues	250	250	300	300	300
Assessor Tuition/Mtgs	1,800	1,200	1,000	500	500
Assessor Dispatch Map	300	300	200	0	0
Assessor Office Supplies	1,000	800	800	1,000	1,000
Assessor Equipment Repair	750	750	750	750	750
Assessor Software Support	2,500	4,000	4,000	3,000	3,713
Assessor Tax Map Maint	4,944	5,000	5,000	4,500	3,100
TOTAL	48,408	46,909	44,400	54,248	53,561

Office supplies are rising due to an expected increase in toner costs. The Assessors expect the annual \$600 maintenance contract for the copier to go up in FY17 (it hasn't changed in over 5 years), and it may need parts, as it is getting older.

ESRI, as our GIS provider, is still \$400 per year, CSC will be \$2,850 for the assessors in FY17 plus \$462.50, which is half of the CSC general fee (shared 50/50 with the Tax Collector). The Assessors' CSC valuation

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program costs are expected to increase a bit each year as the state withdraws its former financial support of this program. The annual bill for CY15 map maintenance was \$1,200, plus \$1,800 for the GIS website maintenance & upgrades. \$100 was added for making 2 additional 24"x36" sets of maps for the Planning Board and Selectboard.

Treasurer (145) and Collector (146)

The Treasurer/Collector has submitted both a Treasurer's budget and a Collector's budget. This division is historical, as the current staffing includes a Treasurer/Collector and an Assistant Treasurer/Collector, but for the purposes of comparing these items with past years, we have left this formulation as is.

We are asking again this year for funding for an audit, as the Town should have one once every two years. If the Town borrows money, we will have to have one every year during the term of our loan.

The Treasurer reduced Office Supplies based on past expense. There is a small increase in mileage as she has been going to many meetings, including the Hampshire County Group Insurance Trust, the Franklin Regional Retirement System, Affordable Care Act information sessions and other educational sessions. The Software Support figure is an estimate. Our payroll software vendor has merged with a larger company and has not yet released the support charge. Overall, the budget is nearly level funded with a minimal .05% increase.

Treasurer (145)	FY2013	FY2014	FY2015	FY2016	FY2017
	Budget	Budget	Budget	Budget	Requested
Treasurer Salary	43,919	33,231	33,897	34,750	34,750
Asst Treas Hrly		10,634	8,678	8,900	8,900
Treasurer Mileage	150	100	100	100	150
Treasurer Postage	1,500	1,500	1,663	1,663	1,600
Treasurer Dues/Mtgs	660	650	250	250	250
Treasurer Office Supply	568	600	600	600	425
Treasurer Software Support	3,191	3,500	8,192	5,985	6,200
TOTAL	49,988	50,215	53,380	52,248	52,275

For the Assistant Treasurer/Collector, supplies are reduced based on past expense. There is a small increase in mileage as she has been going to many meetings, including HCGIT, FRR, ACA information and other educational sessions. Collection software support fees have increased because the DOR discontinued their reasonably priced support, and the CSC had to go out to bid for a new support vendor. This increase affects the overall budget increase percentage sharply—however, CSC Software is still thousands less than other vendors. The overall budget is increased by 4.5%, still reasonable in dollar figures.

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Collector (146)	FY2013	FY2014	FY2015	FY2016	FY2017
	Budget	Budget	Budget	Budget	Requested
Asst Collector Hrly	11,890	10,634	10,847	11,118	11,118
Collector Mileage	150	100	100	100	150
Collector Postage	2,500	2,500	2,900	2,900	2,900
Collector Dues/Mtgs	200	250	250	250	250
Collector Office Supply	536	500	500	500	500
Collector Software Support	\$1,000	\$1,050	\$1,100	1,375	2063
TOTAL	\$16,276	\$15,034	\$15,484	\$16,243	\$16,981

Town Administrator (150) and Legal (151)

The major change in the Town Administrator's budget is shifting Information Technology to a new line item (159 – please see below). This leads me to believe that office systems are settling into place, and there should be only normal rises after this year. The Town Administrator's salary is slated to increase \$1,638, per a negotiated contract.

The Town Office has added a separate fax line, as using the fax over our Voice-over-Internet-Protocol (VoIP) telephone system has resulted in many errors in past years; this adds about \$260 per year in addition to our \$3,012/yr. regular telephone bill, which was underestimated for FY 2016; a small amount was added in anticipation of possible rates hikes. \$100 was added to "Mileage" and \$350 to "Dues and Conferences" based on current year expenses. Please note that these raised amounts are still not expected to cover all related expenses, as the Town Administrator has contributed, and expects to continue contributing, to those expenses himself. As of the January annual meeting of the Massachusetts Municipal Managers Association, he was voted by his peers to be a member of the Board of Directors of that organization, which holds monthly meetings, largely in eastern Massachusetts, and two conferences each year. He also expects to continue in his role as Secretary of the Small Town Administrators of Massachusetts.

Town Administrator (150)	FY2013	FY2014	FY2015	FY2016	FY2017
	Budget	Budget	Budget	Budget	Requested
Town Admin Salary	0	51,125	53,040	54,631	56,270
Town Admin Hourly	28,681	0	10,000	12,813	15,543
Town Admin Mileage	50	200	300	400	500
Town Admin Postage	900	900	1,000	1,300	1,300
Town Admin Dues/Conf	135	135	230	400	750
Town Admin Telephone	3,600	3,600	3,300	2,500	3,650

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Town Admin Internet	725	1,500	5,040	4,000	2,000
Town Admin Copier	1,100	1,400	1,400	1,000	1,000
Town Admin Advertising	300	800	500	500	500
Town Admin Supplies	4,150	4,500	2,000	2,000	3,000
Town Admin Repair/Tech. Services	6,750	2,500	2,000	2,500	2,500
Town Report				3,000	3,750
TOTAL	46,391	66,600	78,810	85,044	90,763

¹ This includes only a subscription to VisualGov, a financial transparency program that will make Town finances more easily accessible to residents. This cost is slated to be moved to a Town Meeting warrant article and raised to \$3,000. Also see the new line item, Information Technology – 159, below.

The Legal budget is proposed to return to its recent higher level due to an increased expectation of legal expenses. It is important to return to the earlier figure to avoid any delay in having any potentially necessary work done.

Legal (151)	FY2013	FY2014	FY2015	FY2016	FY2017
	Budget	Budget	Budget	Budget	Requested
Legal expense	(from 122)	15,000	10,000	6,000	15,000

NEW: Information Technology (159)

Over the last year, the Town has made great strides in updating its information technology systems. We are upgrading Town systems to current standards of functionality and security, which in turn requires additional oversight and maintenance. Information technology, or “IT,” now refers to both our subscription to our internet service provider (ISP), which provides access to the internet, and more comprehensive IT services, maintenance, and the replacement of equipment and updating of software. The Town has a host of new systems in place: a new server, new back-up capability, new malware protection, and a new plan to keep all the systems up to date and compliant with state and federal laws and regulations (especially HIPAA and Mass. 201).

This line item replaces all of the Town Admin Internet sub-account from previous years, as well as a large amount of the Town Admin Repair/Tech. Services sub-account.

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159 – IT	(new)	FY2017
		Requested
001-159-5400-000-240-0	Maintenance ¹	6,100
001-159-5400-000-320-0	Software and subscriptions ²	3,900
001-159-5400-000-420-0	Equipment and supplies ³	2,750
001-159-5400-000-585-0	Professional-Technical expenses ⁴	7,000
TOTAL		19,750
	¹ Maintenance includes regular updates, backups, switch-outs/configuration, monitoring, compliance, etc.	
	² Includes Internet Service Provider fees (\$3,500) plus some software updates (including Windows 365)	
	³ Includes a plan to replace each computer every three years.	
	⁴ Professional-Technical expenses include troubleshooting and other support beyond maintenance	

Town Clerk (161), Board of Registrars (162), and Elections (163)

The Clerk fulfills five discrete administrative roles: legislative administrator; chief election officer; chief public information administrator; public records and licensing administrator; and census and voter registration administration. Each role is strictly defined by State law.

On this year's election ballot will be a question asking to make the Town Clerk an appointed position. This would implement the second (and final) step of that process. This will allow the Town to hire the best qualified candidate for the position, a necessary point given the increased (and continually increasing) complexity of the position, which requires familiarity with a broad range of state law.

Town Clerk (161)	FY2013	FY2014	FY2015	FY2016	FY2017
	Budget	Budget	Budget	Budget	Requested
Town Clerk Salary	18,696	19,117	19,117	26,117	26,500
Town Clerk Fees	50	50	50	50	50
Town Clerk Postage	200	200	200	200	200
Town Clerk Dues	100	100	100	100	100
Town Clerk Tuition/Mtgs	75	75	75	75	75
Town Clerk Subscriptions	100	100	100	100	100
Town Clerk Advertising	1,000	750	750	750	1,700
Town Clerk Supplies	400	400	400	400	400
Town Clerk New Equipment	200	200	200	200	200
TOTAL	20,821	20,992	20,992	27,992	29,325

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The Board of Registrars notes that this line item has been level funded since 1994.

Board of Registrars (162)	FY2013	FY2014	FY2015	FY2016	FY2017
	Budget	Budget	Budget	Budget	Requested
Board of Registrars Salary	850	850	850	850	850
Board of Registrars' Office Supplies	400	400	400	400	400
TOTAL	1,250	1,250	1,250	1,250	1,250

No rate increase for election workers is included: they are currently paid \$8.50 per hour; the last rate increase was in FY 2010.

For office supplies, the Secretary of State requires \$1,000 per local election for programming mandatory electronic voting equipment. Regular office supplies are estimated at \$500.

Elections (163)	FY2013	FY2014	FY2015	FY2016	FY2017
	Budget	Budget	Budget	Budget	Requested
Election Expenses Salary	--*	1,700	4,420	3,145	5,715
Election Expenses Office Supplies	--*	1,700	1,500	1,500	2,700
TOTAL	5,050	3,400	5,920	4,645	8,415

**Not available*

Finance

Debt Service (710/750); Town Insurance (193); and Employee Benefits (900)

Our present borrowing is very low. We have paid off the Grammar School and the Frontier reconstruction of the late 1990s. For debt service, the school roof bond is in the last of its five years. We are requesting one dollar for short-term interest to keep the account open in case of any unforeseen need.

Debt Service (710/750)	FY2013	FY2014	FY2015	FY2016	FY2017
	Budget	Budget	Budget	Budget	Requested
Frontier Cap Improvement Bond	31,887	23,506	15,769	8,008	0
School Roof Repair Bond	0	68,311	66,416	65,063	63,709

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Short Term Interest	3,250	0	0	2,000	1
TOTAL	35,137	91,817	82,186	75,071	63,710

Please note that employee health insurance is covered under 900 – Employee Benefits.

The cost of bonding the Treasurer and Tax Collector has risen slightly, to \$650 from \$500, and I expect workers' compensation to rise substantially as well, due to a number of minor accidents in the previous fiscal year.

Town Insurance (193)	FY2013	FY2014	FY2015	FY2016	FY2017
	Expended	Expended	Expended	Budget	Requested
General Liability	22,433.00	25,619.54	28,856	29,252	30,200
Insurance Fees	3,120.00	310.00	0	0	0
Worker's Compensation	19,301.00	18,788.30	22,905	28,000	32,000
Police & Fire IOD	12,706.00	14,004.00	14,004	14,500	15,000
Bonds	527.00	632.00	540	500	650
TOTAL	58,087.00	59,353.84	66,305	72,252	77,850

For employee benefits, there is a substantial increase, based mainly on our group health insurance (up 6.8%, as opposed to 1.5% last year).

Our unemployment rate is down due to very few reductions in staffing. Group health insurance premium rates are up by 6.8% this year. Our group continues to be the leader in not only holding rates down (comparatively speaking), but offering a superior product with no deductibles and low co-pays. As usual, the Treasurer added on an additional Employee+1 and family plan in case the Town has any additional enrollments. Medicare contributions are up and continue to rise as wages increase. The overall increase is 5.65%.

Employee Benefits (900)	FY2013	FY2014	FY2015	FY2016	FY2017
	Budget	Budget	Budget	Budget	Requested
Franklin County Retirement	125,643	142,830	146,641	147,412	155,386
Unemployment Insurance	5,350	12,107	10,925	6,700	4,000
Group Insurance- Health	355,500	351,000	334,774	364,000	385,000
Group Insurance- Life	1,900	1,900	1,900	1,800	1,800
Medicare & Social Security	28,000	28,500	28,280	30,169	35,000
TOTAL	516,393	536,337	522,520	550,081	581,186

Town of Conway: Budget for Fiscal Year 2017

Committees with budgets

Personnel Committee (190); Parks, Recreation, and Trails (630); Historical Commission (691); and the Festival of the Hills (692)

The Personnel Committee is beginning to meet again and so I have allocated \$100 for general expenses. Level funding is proposed for and the Historical Commission. The Parks, Recreation, and Trails Committee is taking on a substantial amount of additional work, and the increased budget reflects that.

Personnel Committee (190)

The Personnel Committee has not had a quorum for almost two years. Any residents who are willing to serve and feel qualified are welcome to contact the Town Administrator, as there are duties prescribed for the Committee in the Town's by-laws. Also, please note that the Town Administrator is seeking funding for a review of job descriptions, classifications, and a proposed compensation schedule as a capital item.

Personnel Committee (190)	FY2013	FY2014	FY2015	FY2016	FY2017
	Budget	Budget	Budget	Budget	Requested
TOTAL	2,000	2,000	100	100	100

Historical Commission (691)

Level funding is proposed for the Historical Commission.

Historical Commission (691)	FY2012	FY2013	FY2014	FY2015	FY2016
	Budget	Budget	Budget	Budget	Requested
TOTAL		250	250	400	400

Parks, Recreation, and Trails (630)

Last year funds were added for new programs, including a new sports director, senior programs, youth sports, and the cost of the port-a-potties, along with \$405 for increased maintenance. However, there has not been as much progress as hoped for in creating a recreation program and hiring a sports director, *[which this year's budget reflects]*.

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Parks, Recreation, and Trails (630)	FY2013	FY2014	FY2015	FY2016	FY2017
	Budget	Budget	Budget	Budget	Requested
TOTAL	2,500	3,700	3,700	6,305	

Festival of the Hills (692)

The Festival of the Hills is slated to become a private organization, pending a Town Meeting vote. Nonetheless, it would be prudent to leave the account open in case the situation changes.

Festival of the Hills (692)	FY2013	FY2014	FY2015	FY2016	FY2017
	Budget	Budget	Budget	Budget	Requested
TOTAL	800	800	1,250	1,250	1

Permitting Bodies

Conservation Commission (171); Planning Board (175); and the Zoning Board of Appeals (176)

Costs for the Conservation Commission are proposed to be raised slightly.

Conservation Commission (171)	FY2013	FY2014	FY2015	FY2016	FY2017
	Budget	Budget	Budget	Budget	Requested
Con Com Mowing	500	0	300	0	0
Con Com Postage	225	225	50	50	50
Con Com Dues	50	50	179	179	200
Con Com Training	150	150	500	500	500
Con Com Advertising	300	560	0	0	0
Con Com Office Supplies	60	60	100	200	200
Con Com Prof & Tech	25	25	100	0	100
TOTAL	1,310	1,070	1,229	929	1,050

The Planning Board and the Zoning Board of Appeals are proposed to be level-funded.

Planning Board (175)	FY2013	FY2014	FY2015	FY2016	FY2017
	Budget	Budget	Budget	Budget	Requested
Planning Board Expense	2,500	2,500	2,500	3,160	2,630

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Zoning Board of Appeals (176)	FY2013	FY2014	FY2015	FY2016	FY2017
	Budget	Budget	Budget	Budget	Requested
Zoning Board Expense	175	175	175	175	175

Public Safety

The Public Safety category covers Police, Fire, Ambulance, Emergency Management, and the Animal Control Officer, a position that includes all the duties of a former Dog Warden or Officer as well as dealing with all other problematic wild animals in town. Total spending is projected to be \$192,280, (prior to any salary adjustment), with over half of that, \$119,150, going to the Police Department. It is quite possible that as Conway approaches a population of 2,000, the town could use a second full-time police officer rather than a regular half-time officer, but that additional support is not necessary at this time.

Police (210)

Police spending is projected to be up only very slightly from last year, \$700, to a total of \$119,150.

For training, which is maintained at \$1,400, there is a minimum of 40 hours of training required, including legal updates, mental health, domestic violence, firearms, and defensive tactics. Personnel is currently adequate, with a regular part-time officer for at least 20 hours per week, along with more occasional officers; the only shortages are for special events such as the Festival of the Hills. If the cost of fuel stays low, there may not be the need for as much as is requested, but all departments are approaching this conservatively, so that any cost increase will be covered.

Police (210)	FY2013	FY2014	FY2015	FY2016	FY2017
	Budget	Budget	Budget	Budget	Requested
Police Dept Salaries	61,441	62,823	64,080	65,682	65,682
Police Dept Salary Hourly	34,440	35,515	36,225	36,798	36,798
Police Dept Radio Fees	1,277	1,400	1,400	2,000	2,000
Police Dept Postage	75	75	75	50	50
Police Dept Dues	225	225	250	300	300
Police Dept Training	700	1,400	1,400	1,400	1,400
Police Dept Gasoline	7,079	7,000	7,000	7,000	7,000
Police Dept Supplies	600	600	600	600	1,300
Police Department Equipment			0	0	0
Police Department Vehicle Main	3,000	2,000	2,000	2,000	2,000

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Police Dept Software	1,225	1,790	1,620	1,620	1,620
Police Dept Uniforms	1,320	1,000	1,000	1,000	1,000
TOTAL	111,382	113,828	115,650	118,450	119,150

Fire (220)

The Fire Department is \$521,880, a reduction of \$500 from last year. Membership dues remain just \$500, as membership in additional organizations is not cost effective. Dues include Tri-State Mutual Aid and the National Fire Protection Association. As most training is free, the training budget has been used for educational materials. Please note that the Gasoline/Fuel line is used not only for the cruiser and brush truck, but for generators, chain saws, and pumps as well. Equipment includes fire hoses, valves, fittings, adapters, and water-proof radios; SCBA maintenance includes annual certification and testing. Turn-out gear includes all fire department clothing—coats, helmets, gloves, hoods, boots, and forestry clothing.

Fire (220)	FY2013	FY2014	FY2015	FY2016	FY2017
	Budget	Budget	Budget	Budget	Requested
Fire Salary	6,912	7,067	7,209	7,390	7,390
Fire Salary Clerical	75	769	784	805	805
Fire Salary Labor	10,250	10,480	10,690	10,957	10,957
Fire Radio Fees	3,000	3,200	3,200	3,200	3,200
Fire Dept Dues	1,000	1,000	500	500	500
Fire Dept Training	1,000	1,000	1,000	0	1,000
Fire Dept Phone Rental	300	300	300	300	300
Fire Dept Cell Phone	450	528	528	528	528
Fire Dept Gasoline/ Fuel	1,487	1,487	1,000	1,000	500
Fire Dept Supplies	3,000	3,000	3,000	4,000	3,000
Fire Dept Vehicle Maint	6,300	6,300	6,300	6,300	6,300
Fire Dept Equipment	8,600	10,000	10,000	10,000	10,000
<i>NEW FY15-SCBA maint.</i>			1,000	1,000	1,000
Fire Dept Turnout Gear	6,300	6,300	6,300	6,400	6,400
TOTAL	49,351	51,431	51,812	*52,380	51,880

**There is an \$11.00 discrepancy between this figure and what was passed at Town Meeting, \$52,391.*

Ambulance (231)

Ambulance Director Jody Benson anticipates a substantial reduction in costs, though with the caution that this represents a truly minimal budget.

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Ambulance (231)	FY2013	FY2014	FY2015	FY2016	FY2017
	Budget	Budget	Budget	Budget	Requested
Amb. Salary	5,924	6,135	6,135	6,260	6,260
Amb. Assistant Dir. Salary	407	511	511	2,000	2,000
Amb. Clerk Wages	250	307	307	320	320
Amb. Hourly Employee	8,477	8,691	8,691	8,700	8,700
Amb. Radios	1,700	1,700	2,000	2,000	1,667
Amb. Postage	50	50	50	35	25
Amb. Training	1,000	1,000	1,000	1,000	750
Amb. Lic/ Exam	1,970	3,700	2,500	3,600	1,000
Amb. Telephone/ Cell	334	200	660	600	600
Amb. Transfer/Intercept	10,500	10,500	10,500	11,000	7,000
Amb. Contract	95	500	0	0	0
Amb. Mileage	429	400	0	0	0
Amb. Office Supplies	250	500	500	200	100
Amb. Other Supplies	1,609	1,600	1,600	2,400	2,450
Amb. Main/Repair	1,500	1,500	1,500	750	250
Amb. Software Support	1,900	2,500	2,500	2,500	2,500
Amb. Uniforms	300	300	300	100	100
Amb. New Equipment	1,600	1,600	1,600	1,850	1,500
Amb. Billing Charges	3,000	2,656	3,000	2,500	1,750
TOTAL	41,295	44,350	43,354	45,815	36,972

Emergency Management (291)

The Emergency Management Director (EMD) is requesting level funding. The EMD is responsible for keeping the Town compliant with all state requirements and maintaining Town readiness for emergencies. Mileage costs are mainly for quarterly meetings and workshops sponsored by the Massachusetts Emergency Management Agency; equipment includes supplies for emergency shelter readiness. Please note that the Town receives an annual state grant for emergency management planning; in FY 2016, it is \$2,460.

Emergency Management (291)	FY2013	FY2014	FY2015	FY2016	FY2017
	Budget	Budget	Budget	Budget	Requested
Emergency Mgt Salary	2,000	2,000	2,000	2,000	2,000
Emergency Mgt Mileage	500	500	250	250	250

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Emergency Alert System		0	1,500	1,500	1,500
Emergency Mgt Equipment	1,000	1,000	500	500	500
TOTAL	3,500	3,500	4,250	4,250	4,250

Dog Officer/Animal Control Officer (292)

Please note that the position formerly known as Dog Warden or Dog Officer is now, due to State legislation, called Animal Control Officer (ACO). I have added categories of training and equipment in order to clarify the ACO's expenses. Regional kennel expenses are expected to rise \$50, and mileage is expected to go up this year due to expected mandated training, which is also rising \$400, for a net increase of \$350, or slightly above the FY 2015 budget. These figures are necessarily estimates, as ACOs do not yet know the extent or location of additional training.

Dog Officer/Animal Control Officer (292)	FY2013	FY2014	FY2015	FY2016	FY2017
	Budget	Budget	Budget	Budget	Requested
Dog Warden Salary	350	350	350	350	350
Dog Warden Mileage	300	400	500	400	600
Dog Warden kennel expense	100	700	1,100	300	350
Dog Warden Training				200	600
Dog Warden Equipment				400	100
TOTAL	750	1,450	1,950	1,650	2,000

Public Works

The Public Works category includes Highway and Winter Roads as the main categories, and also Building Maintenance and the Tree Warden. The Highway Department is requesting \$589,017, up \$21,337 from this year's \$567,680. The \$661,726 total public works budget for FY 2017 is up \$22,437 from the FY 2016 of \$639,289, an increase of 3.39%.

422 and 423 – Highway and Winter Roads

For the Highway budget, hourly help is increased by \$6,240, to pay for 8 hours weekly of clerical work, about 6 for Highway work and 2 for Building Maintenance, shifting those responsibilities from the Town Administrator to the Highway Department. Also, the Highway Superintendent would get \$1 more per hour, or \$2,075, for assuming the responsibilities of supervision and back-up.

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Materials are substantially increased, from \$95,000 to \$104,863. Following up on having added a great deal of gravel, the Department would like to lay down hard pack to add on top of the gravel and further build up the roads.

Maintenance is expected to decrease, based on having newer equipment.

The category of sublets includes all contracted work, and is proposed to rise slightly, from \$20,000 to \$21,358. Some of the items that are done under this line include tree work; catch basin cleaning; line painting; and any work for which the Department does not have the equipment.

Fuel is budgeted as slightly less, down to \$23,040 from \$25,000, based on the expectation that the current diesel prices will continue to be low. Please note that the fuel for the Fire and Ambulance Departments comes out of this budget and the Highway Supervisor has no way of estimating their usage. In the future, we would like to see their usage come from their respective budgets.

The sand budget is proposed to be reduced from \$20,000 to \$18,200, though the salt budget is proposed to be increased substantially, from \$60,000 to \$78,261, based on current prices.

422 – Highway	FY2013		FY2014	FY2015	FY2016	FY2017
	Budget		Budget	Budget	Budget	Requested
Highway Salary				56,842	58,263	60,338
Highway Hourly Wages				148,849	149,755	155,995
Highway Part-Time Help				5,100	1,000	1,000
Highway Overtime Pay				3,060	2,050	2,050
SUB-TOTAL LABOR			Not available	213,851	211,068	219,383
Highway Rentals		Hwy Rentals	10,000	2,500	7,500	7,500
Highway Advertising	2,500					
Highway Road Signs	1,500					
Highway Black Top	65,000	Hwy Materials	75,000	110,000	95,000	104,863
Highway Pipe & Culverts	4,000					
Highway Tree Cutting	13,000	Hwy Sublet	20,000	12,000	20,000	21,358
Highway Diesel	22,058	Hwy Fuel	20,000	25,000	25,000	23,040
Highway Office	400	Hwy Office	2,700	5,000	5,000	5,000
Highway Dept Supplies	5,000	Hwy Dept	5,000	10,000	10,000	10,000

Town of Conway: Budget for Fiscal Year 2017

		Supplies				
Highway Vehicle Maintenance	55,500	Hwy Repairs	60,000	50,000	60,000	50,000
Highway Repairs- Bridges	1,000					
Highway Uniforms	2,500	Hwy Uniforms	2,500	3,000	3,000	2,500
Highway New Equipment		Hwy New Equipment	14,000	10,000	10,000	10,000
SUB-TOTAL REGULAR	172,458		209,200	227,500	235,500	234,261
SUB-TOTAL REGULAR AND LABOR			Not available	441,351	446,568	453,644
Winter Expense Temp Employ	2,100		3,000	3,060	3,000	3,000
Winter Expense Overtime Pay	12,000		14,315	14,601	15,112	15,112
Winter Expense Diesel	22,000		15,000	15,000	15,000	12,800
Winter Expense Sand	50,000		20,000	20,000	20,000	18,200
Winter Expense Salt	26,250		60,000	60,000	60,000	78,261
Winter Expense Supplies	5,300		8,000	8,000	8,000	8,000
Winter Expense New Equipment	2,500					
SUB-TOTAL WINTER	120,150		120,315	120,661	121,112	135,373
TOTAL REGULAR + WINTER	292,608		329,515	348,161	356,612	369,634
TOTAL Reg. + Winter + LABOR				562,012	567,680	589,017

Building Maintenance (192)

The most critical Building Maintenance expense, repairing a leak in the Town Office roof, has been completed, with \$11,000 from last year's Reserve Fund. That said, much of this budget is normal operational expense, including heating fuel, mowing, supplies, and the salary of the custodian.

I have requested an increase in grounds maintenance, as we now have to care for the new town field, with an estimate of \$2,000 per year, and have added some duties to the current contract for town

Town of Conway: Budget for Fiscal Year 2017

mowing. This, and the increase in heating oil costs, are partially offset by the expectation of lower prices for electricity and propane, resulting in a very modest increase of \$1,100 in the bottom line.

Building Maintenance (192)	FY2013	FY2014	FY2015	FY2016	FY2017
	Budget	Budget	Budget	Budget	Requested
Custodian Salary	15,185	15,527	15,838	16,234	16,234
Electricity - Buildings	8,150	7,500	7,000	9,100	9,100
Electricity - Outdoors	6,250	6,250	8,000	10,400	8,000
Building Maintenance/ Property Management	6,300	6,000	6,000	5,000	5,000
Rent - Sheep Barn	2,000	2,000	2,000	3,000	3,000
Heat – oil	5,400	0	8,000	8,000	8,000
Heat – propane	20,000	9,000	12,000	12,000	12,000
Building Repairs	3,000	3,000	2,500	2,500	3,500
Custodial Supplies	1,600	800	800	500	500
Grounds Maintenance	0	4,500	4,500	4,500	7,000
TOTAL	67,885	54,577	58,327	71,234	72,334

Tree Warden (294)

The Tree Warden is proposed to be level funded.

Tree Warden (294)	FY2013	FY2014	FY2015	FY2016	FY2017
	Budget	Budget	Budget	Budget	Requested
Tree Warden Salary	300	300	300	300	300
Tree Warden Dues/ Conference	75	75	75	75	75
TOTAL	375	375	375	375	375

Education, Health and Human Services

The Education, Health and Human Services budget includes the Board of Health; the Council on Aging; Veterans' Services; and all of the schools: Conway Grammar School, Frontier Regional and both the Franklin County Technical School and the Smith Vocational and Agricultural High School. Total spending on this largest area of Town spending is estimated at \$3,263,624, up substantially from last year's \$3,101,217, about 4.98%, making the largest share of the substantial rise in the overall budget.

Town of Conway: Budget for Fiscal Year 2017

Schools

Out of the school budgets, preliminary budgets for the Conway Grammar School and Frontier Regional High School have not yet been received, but estimates were made available. The major driver of costs is health care, a substantial rise of 6.8% this year, though averaged over the last four years, less than 2% per year. Retirements at Frontier will cost \$125,000 (paying out accrued sick time).

Still, technical school costs will be rising dramatically, up almost \$72,000 from last year. Conway's student enrollment in Franklin County Technical School went up to 8 students from 5 one year ago; our assessment will jump from \$80,642 to \$132,076, or a \$51,434 increase. Our tuition for Smith Vocational and Agricultural High School went up after last year's annual Town Meeting when an additional student was confirmed, costing \$17,556 in school costs and \$16,470 in transportation, for a total of \$34,026. Transportation costs will be doubled this year, plus any increase in fees (I have estimated 5% for school costs), as neither student can drive; please note that the Town, not the student, is responsible for providing transportation.

School	Total assessment FY 2015	Total assessment FY 2016	Total assessment FY 2017	Increase FY16 to FY17	Percentage increase
Conway Grammar School					
CGS Operating	1,612,939	1,641,430	1,717,428	75,998	4.43%
CGS Transportation	95,580	87,526	95,000	7,474	7.87%
<i>CGS total:</i>	1,708,519	1,728,956	1,812,428	83,472	4.61%
Frontier Regional High School					
FRHS Operating	1,054,521	1,084,395	1,154,446	70,052	6.46%
FRHS Transport	16,001	15,520	16,000	480	0.03%
<i>Frontier total:</i>	1,070,522	1,099,915	1,170,446	70,532	6.02%
Franklin Regional Technical School	106,259	80,642	132,076	51,434	38.94%
Smith Vocational and Agricultural	18,270	35,112	36,868	1,718	4.66%
SVAHs transportation	0	16,470	35,150	18,680	53.14%
<i>Technical schools total:</i>	124,529	132,224	204,094	71,832	35.20%
TOTAL	2,919,339	2,961,095	3,186,968	225,836	7.09%

Board of Health (512), Council on Aging (541), Veterans' Services (543)

Board of Health (512)

The Board of Health budget is only slightly higher than last year's budget. Please note that fees paid for recycling, as with all revenues generated, cannot stay within the Board of Health's account, but go to the Town's general fund.

Other services include CFC Recovery; electronics disposal; fire control inspection and service; porta-potty rental for the Transfer Station; propane tanks; equipment repairs; scrap metal hauling; mowing and cap maintenance; tire disposal; Transfer Station third-party site inspection; etc.

Other Supply includes compactor maintenance supplies; the town's share of new roll-offs; emergency medical kit; gasoline for small equipment (snow blower, leaf blower, etc.); small equipment maintenance; attendant "uniform" (shirt, jacket, gloves); etc.

Building Repair includes any maintenance that must be done on the attendant's "office." This year the Board of Health replaced the wood stove; they believe there may be a need to make some stack repairs.

Dump Maintenance is the line item that pays for the DEP-required annual inspection of the stump dump and cap, including all the water tests and the resulting report filed with DEP.

There are no special plans for FY 2017.

Board of Health (512)	FY2013	FY2014	FY2015	FY2016	FY2017
	Budget	Budget	Budget	Budget	Requested
Board of Health- Elected	5,123	5,240	5,240	5,480	29,135
Board of Health Clerical	8,275	10,764	10,979	11,254	11,544
Board of Health Animal Inspect	1,198	1,225	1,225	1,300	1,600
Board of Health Hourly Employ	25,973	27,184	27,728	28,425	5,617
Board of Health Electric	1,200	1,100	1,800	2,100	2,165
Board of Health Mileage	500	500	500	500	500
Board of Health Dump Main.	4,000	4,000	4,000	4,000	4,000
Board of Health Postage	100	175	100	100	100
Board of Health Dues	4,500	4,500	4,500	5,500	6,550
Board of Health Tuition/ Meet			500	500	500

Town of Conway: Budget for Fiscal Year 2017

	500	500			
Board of Health Telephone	600	300	300	300	6,524
Board of Health FCSWMD		5,363	5,959	6,227	300
Board of Health Other Services	10,344	10,490	8,006	8,000	9,000
Board of Health Advertising	100	100	100	100	300
Board of Health Trucking	52,067	46,990	36,323	41,330	41,330
Board of Health Trucking Bulk	<i>(Incl. in 400-0)</i>	<i>(Incl. in 400-0)</i>	<i>(Incl. in 400-0)</i>	<i>(Incl. in 400-0)</i>	<i>(Incl. in 400-0)</i>
Board of Health Trucking Trash	<i>(Incl. in 400-0)</i>	<i>(Incl. in 400-0)</i>	<i>(Incl. in 400-0)</i>	<i>(Incl. in 400-0)</i>	<i>(Incl. in 400-0)</i>
Board of Health Disposal/ Tip	43,770	35,034	37,823	38,000	38,000
Board of Health Hazard Waste	500	1,900	2,500	5,000	5,000
Board of Health Office Supply	800	1,100	700	500	500
Board of Health Other Supply	200	2,200	2,000	2,000	2,500
Board of Health Building Repairs	2,000	2,000	2,000	2,000	2,000
Board of Health Rabies	1,500	1,500	1,500	750	750
TOTAL	163,250	162,165	\$153,024	\$163,366	167,915

Council on Aging (541)

The Council on Aging has requested level funding.

Council on Aging (541)	FY2013	FY2014	FY2015	FY2016	FY2017
	Budget	Budget	Budget	Requested	Requested
Council on Aging Expense	400	400	400	400	400

Veterans Services (543)

Veterans' Services is proposed to rise only due to the need to purchase more flags after a period of drawing down a surplus. There is always a question of budgeting for a possible extra veteran in town, and there is always the possibility that a recently discharged veteran will settle in town and require town funding. However, the likelihood is small, and would be unexpected, so such an expense could properly be covered by the reserve fund.

Town of Conway: Budget for Fiscal Year 2017

Veterans Services (543)	FY2013	FY2014	FY2015	FY2016	FY2017
	Budget	Budget	Budget	Budget	Requested
Veteran Service Benefits	10,800	5,500	5,500	6,000	6,500
Veterans Services Operating	3,903	3,903	4,020	4,182	2,966
Veterans Services Flags	200	200	200	300	300
TOTAL	14,903	9,603	9,720	10,382	9,766

Regional Services

Franklin Regional Council of Governments (FRCOG) (830)

The regional and statutory assessments of the Franklin Regional Council of Governments (FRCOG) are slated to go up slightly.

Membership in the FRCOG remains a good investment, as Conway is taking advantage of a number of discretionary programs, including accounting services; highway materials procurement; the cooperative inspection program; and the cooperative health program (for nursing services only). We also work actively with the FRCOG in other procurement matters; natural hazard mitigation planning; the grant for work in the South River and similar environmental work; a broadband study; GIS work with the Assessors, Highway Department, Pipeline Task Force, Historical Commission, and Town Administrator; and a fire services study. In addition, many Town board and committee members have taken advantage of trainings sponsored by the FRCOG:

FRCOG (830)	FY2013	FY2014	FY2015	FY2016	FY2017
	Budget	Budget	Budget	Budget	Requested
FRCOG Assessment	49,142	52,044	61,952	53,538	55,538

PROJECTED ARTICLE 2 FOR THE MAY 9, 2016 ANNUAL TOWN MEETING

Notes: *[Italicized figures]* are estimates.

Salaries are considered level-funded.

DEPT #	DEPARTMENT NAME	FY 2015	FY 2016	FY 2017 REQUESTED	FY16 – FY17 CHANGE
114	MODERATOR	350	350	350	0
122	SELECTMEN	6,500	6,500	6,500	0
131	FINANCE COMMITTEE	200	200	200	0
132	RESERVE FUND	40,000	40,000	40,000	0
135	TOWN AUDIT	13,000	1	15,500	14,499
141	ASSESSORS	44,400	54,248	53,561	(687)
145	TREASURER	53,379	52,237	52,275	38
146	COLLECTOR	15,697	16,243	16,981	738
150	TOWN ADMIN	78,810	85,044	90,763	5,719
151	LEGAL	10,000	6,000	15,000	9,000
159	INFORMATION	0	0	20,000	20,000
161	TOWN CLERK	21,375	27,992	29,325	1,333
162	REGISTRARS	1,250	1,250	1,250	0
163	ELECTIONS	7,920	4,724	8,415	3,691
171	CONSERVATION COM.	1,229	929	1,050	121
175	PLANNING BOARD	2,500	3,160	3,160	0
176	ZONING BOARD OF APPEALS	175	1	100	99
190	PERSONNEL COMMITTEE	100	100	100	0
192	BUILDING MAINTENANCE	66,638	71,234	72,334	1,100
193	TOWN INSURANCE	66,305	72,252	77,850	4,506
210	POLICE DEPARTMENT	115,650	118,450	119,150	700
220	FIRE DEPARTMENT	51,811	52,391	51,880	(511)
231	AMBULANCE	15,000	15,000	15,000	0
291	EMERGENCY MANAGEMENT	4,250	4,250	4,250	0
292	DOG WARDEN	1,950	1,650	2,000	350
294	TREE WARDEN	375	375	375	0
300A	GRAM SCH OPERATING	1,614,614	1,641,430	1,717,428	75,998
300B	GRAM SCH TRANSPORT	95,580	87,526	87,526	0
320	TECHNICAL SCHOOLS	124,529	98,198	132,076	33,878
422	HIGHWAY DEPARTMENT	441,351	446,568	453,644	7,076
423	WINTER ROADS	120,662	121,112	135,373	14,261
512	BOARD OF HEALTH	154,383	163,366	167,715	4,349
541	COUNCIL ON AGING	400	400	400	0
543	VETERANS SERVICES	9,720	10,382	9,766	(616)
610	FIELD MEMORIAL LIBRARY	1,916	<i>Moved to</i>		<i>(article)</i>
630	PARKS, RECREATION, TRAILS	3,700	6,305	7,755	0
691	HISTORICAL COMMISSION	400	400	400	0
692	FESTIVAL OF THE HILLS	1,250	1,250	0	(1,250)
710	FRONTIER CAP BOND	15,769	8,008	0	(8,008)
750	DEBT SERVICE	66,417	65,063	63,710	(1,353)
752	SHORT TERM INTEREST	0	1	1	0
830	FRCOG	56,979	53,538	55,538	2000
892A	FRONTIER REG OPERATING	1,054,521	1,084,395	1,133,193	48,798
892B	FRONTIER	16,001	15,520	15,520	0
900	EMPLOYEE COSTS	522,520	550,081	581,186	31,105
FY15-16 +\$70,46	Grand Totals:	\$4,934,764	\$4,988,124	\$5,258,600	+270,476 5.14%

Long Range Projections

Long Range Projections

Summary

Town of Conway Projections	2016 actual	2017 actual	2018 Projected	2019 Projected	2020 Projected	2021 Projected	2022 Projected	2023 Projected
Revenues	5,343,888	5,826,619	5,969,027	6,116,073	6,267,709	6,423,905	6,584,648	6,749,945
Dollar change		482,731	142,408	147,047	151,636	156,196	160,743	165,296
Percent change		9.0%	2.4%	2.5%	2.5%	2.5%	2.5%	2.5%
Expenditures	5,063,158	5,373,073	5,510,647	5,664,095	5,829,876	6,002,180	6,182,361	6,369,793
Dollar change		309,915	137,574	153,448	165,781	172,304	180,181	187,432
Percent change		6.1%	2.6%	2.8%	2.9%	3.0%	3.0%	3.0%
Excess/(shortfall)			458,380	451,978	437,833	421,725	402,287	380,152
TOTAL TOWN SPENDING								
Operating Budget Expenditures	5,343,888	5,826,619	5,969,027	6,116,073	6,267,709	6,423,905	6,584,648	6,749,945
Town Meeting Spending Articles								
Cherry Sheet								
-Other Amounts to be raised	149,386	126,904						
-Charges	148,666	129,390						
Overlay Reserve	27,562	56,959						
TOTAL TOWN SPENDING	5,669,502	6,139,872						

Operating Revenues

Revenue Summary

Summary	FY17 actual	FY18 Projected
PROPERTY TAX LEVY	4,619,735	4,750,074
Annual \$ change		130,339
Annual % change		2.8%
Excess Levy Capacity	87,121	29,036
STATE AID / CHERRY SHEET		
Receipts	955,884	955,884
Annual \$ change		0
Annual % change		0.0%
ESTIMATED LOCAL RECEIPTS - Total	251,000	253,510
PRIOR YEAR ACTUAL - Total	64,293	
ratio: PY actual to estimated	0.26	
	-	-
AVAILABLE FUNDS / OTHER FINANCING		
Free Cash appropriated for specific purposes	164,600	
Other Available Funds	0	
Community Preservation Funds	0	
TOTAL AVAILABLE FUNDS	164,600	0
GRAND TOTAL REVENUES	5,991,219	5,959,468
Annual \$ change		-31,751
Annual % change		-0.5%

Town of Conway Operating Budget Revenue Projections	2016 actual	2017 per Recap	2018 Projected	2019 Projected	2020 Projected	2021 Projected	2022 Projected	2023 Projected
PROPERTY TAX LEVY								
Prior Year Tax Levy Limit	4,254,689	4,388,072	4,643,146	4,784,225	4,928,831	5,077,052	5,228,978	5,384,702
2.5% Increase	106,367	109,702	116,079	119,606	123,221	126,926	130,724	134,618
Certified New Growth	<u>27,016</u>	<u>145,372</u>	<u>25,000</u>	<u>25,000</u>	<u>25,000</u>	<u>25,000</u>	<u>25,000</u>	<u>25,000</u>
TAX LEVY LIMIT TOTAL	4,388,072	4,643,146	4,784,225	4,928,831	5,077,052	5,228,978	5,384,702	5,544,320
Debt Exclusions	73,071	63,710	55,428	48,222	41,953	36,499	31,754	27,626
Maximum allowed Levy	4,461,143	4,706,856	4,839,653	4,977,053	5,119,005	5,265,477	5,416,456	5,571,946
Levy percent of Levy Limit	91.8%	98.1%	98.1%	98.1%	98.1%	98.1%	98.1%	98.1%
Levy % change option			0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
TOTAL TAX LEVY	4,097,393	4,619,735	4,750,074	4,884,931	5,024,256	5,168,017	5,316,201	5,468,813
New Tax Revenue	3,331,082	522,342	130,339	134,857	139,325	143,761	148,185	152,612
Excess Levy Capacity	363,750	87,121	89,579	92,122	94,750	97,461	100,255	103,133
PROPERTY TAX IMPACT								
Total Levy	4,097,393	4,619,735	4,750,074	4,884,931	5,024,256	5,168,017	5,316,201	5,468,813
Total Town Assessed Value	245,647,098	260,266,741	260,266,741	260,266,741	260,266,741	260,266,741	260,266,741	260,266,741
Assessed Value change option	-0.1%	6.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Residential Tax Rate	16.68	17.75	18.25	18.77	19.30	19.86	20.43	21.01
Tax rate change result		1.07	0.50	0.52	0.54	0.55	0.57	0.59
Avg Single Family Assessed Value	282,937	290,899	290,899	290,899	290,899	290,899	290,899	290,899
Value change option	-0.2%	2.8%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
New Avg Single Family Tax Bill	4,719	5,163	5,309	5,460	5,616	5,776	5,942	6,112
Tax bill dollar change	133	444	146	151	156	161	166	171
Tax bill percent change		9.4%	2.8%	2.8%	2.9%	2.9%	2.9%	2.9%

STATE AID / CHERRY SHEET								
Chapter 70 Education Aid	609,279	617,374						
Charter Tuition Reimbursement	5,358	2,679						
School Choice receiving tuition	156,438	124,095						
School Lunch								
Unrestricted General Govt Aid	164,753	171,837						
Veterans Benefits	4,430	2,840						
Exemptions VBS and Elderly	9,791							
State Owned land	35,061	34,645						
Public Libraries	2,385	2,414						
TOTAL CHERRY SHEET	987,495	955,884	965,443	975,097	984,848	994,697	1,004,644	1,014,690
		annual \$ change	1.0%	1.0%	1.0%	1.0%	1.0%	1.0%
			9,559	9,654	9,751	9,848	9,947	10,046
ESTIMATED LOCAL RECEIPTS	(not actual)							
Motor Vehicle Excise	200,000	205,000						
Meals Excise								
Room Excise								
Other Excise								
Penalties/Interest on Taxes & Excises	25,000	15,000						
Payments in Lieu of Taxes								
Other Charges: Services-Solid Waste								
Fees	25,000	22,000						
Rentals								
Other Departmental Revenue								
Licenses/Permits	2,000	2,000						
Fines and Forfeits	2,000	2,000						
Investment Income	5,000	5,000						
Medicaid Reimbursement								
Miscellaneous Recurring								
Miscellaneous Non-Recurring								
TOTAL ESTIMATED RECEIPTS	259,000	251,000	253,510	256,045	258,606	261,192	263,804	266,442
% change			1.0%	1.0%	1.0%	1.0%	1.0%	1.0%
\$ change			2,510	2,535	2,560	2,586	2,612	2,638
TOTAL ACTUAL	327,910							
actual-to-estimates ratio	1.27							

FREE CASH									
Appropriation for operations	399,500	164,600							
OTHER									
(list here)		0							
TOTAL OPERATING BUDGET									
REVENUES	5,343,888	5,826,619	5,969,027	6,116,073	6,267,709	6,423,905	6,584,648	6,749,945	

Operating Expenditure Projections

		actuals							
Expenditure Summary		FY17	FY17	FY18	FY19	FY20	FY21	FY22	FY23
114	Moderator	350	350	350	350	350	350	350	350
122	Board of Selectmen	6,500	6,407	6,500	6,500	6,500	6,500	6,500	6,500
131	Finance Committee	200	0	200	200	200	200	200	200
132	Reserve	40,000	12,260	40,000	40,000	40,000	40,000	40,000	40,000
135	Audit	15,000	13,000	15,000	15,000	15,000	15,000	15,000	15,000
141	Board of Assessors	54,359	47,810	55,509	56,687	57,895	59,132	60,401	61,700
145	Treasurer	53,138	52,280	54,313	55,516	56,748	58,011	59,304	60,628
146	Collector	17,203	17,204	17,507	17,819	18,137	18,464	18,798	19,141
150	Town Administrator	89,074	83,510	90,877	92,725	94,620	96,561	98,552	100,592
151	Legal	10,000	9,351	10,000	10,000	10,000	10,000	10,000	10,000
159	Information Technology	20,000	19,922	0	0	0	0	0	0
161	Town Clerk	29,855	27,832	30,531	31,223	31,933	32,661	33,407	34,172
162	Board of Registrars	1,250	835	1,250	1,250	1,250	1,250	1,250	1,250
163	Elections	8,415	3,795	8,558	8,704	8,854	9,008	9,166	9,328
710/750	Debt Service	63,710	63,708	63,710	63,710	63,710	63,710	63,710	63,710
196	Town Insurance	77,850	69,346	79,394	80,969	82,575	84,214	85,885	87,590
900	Employee Benefits	584,686	584,686	622,276	662,646	706,512	753,108	803,686	857,516
190	Personnel Committee	100	0	100	100	100	100	100	100
691	Historical Commission	400	400	400	400	400	400	400	400
630	Parks, Rec & Trails	7,755	7,461	7,755	7,755	7,755	7,755	7,755	7,755
692	Festival of the Hills	0	0	0	0	0	0	0	0
171	Conservation Commission	1,050	95	1,050	1,050	1,050	1,050	1,050	1,050
175	Planning Board	3,160	367	3,160	3,160	3,160	3,160	3,160	3,160
176	Zoning Board of Appeals	175	0	175	175	175	175	175	175
210	Police	121,200	116,824	123,813	126,492	129,237	132,052	134,936	137,893
220	Fire	52,263	52,196	52,751	53,252	53,765	54,291	54,830	55,383
231	Ambulance	37,952	34,870	38,397	38,852	39,319	39,798	40,289	40,792
291	Emergency Management	4,250	3,850	4,250	4,250	4,250	4,250	4,250	4,250
292	Dog Officer/Animal Control	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000
422	Public Works	577,564	549,504	583,035	588,643	594,391	600,282	606,321	612,511
192	Building Maintenance	72,659	72,589	72,659	72,659	72,659	72,659	72,659	72,659
294	Tree Warden	375	497	375	375	375	375	375	375
	Schools	3,186,968	3,186,968	3,291,369	3,399,423	3,511,260	3,627,011	3,746,813	3,870,808
512	Board of Health	168,729	149,897	162,999	163,301	163,610	163,927	164,252	164,585
541	Council on Aging	1,200	1,160	1,200	1,200	1,200	1,200	1,200	1,200
543	Veterans' Services	9,766	6,619	9,766	9,766	9,766	9,766	9,766	9,766
830	FRCOG	55,538	48,475	57,482	59,494	61,576	63,731	65,962	68,270
	Grand Total	5,374,694	5,246,068	5,508,710	5,675,646	5,850,334	6,032,152	6,222,501	6,420,808

Town of Conway Department	FY17	FY17 actuals	FY18		2019	2020	2021	2022	2023
Moderator									
114	350	350	350		350	350	350	350	350
Board of Selectmen									
122	6,500	6,407	6,500		6,500	6,500	6,500	6,500	6,500
Salaries	5,400	5,400	5,400		5,400	5,400	5,400	5,400	5,400
Legal Service	0	0	0		0	0	0	0	0
Dues	600	582	600		600	600	600	600	600
Conferences	500	425	500		500	500	500	500	500
Professional/Technology	0	0							
Finance Committee									
131 Expenses	200	0	200		200	200	200	200	200
Reserve									
132	40,000	12,260	40,000		40,000	40,000	40,000	40,000	40,000
Audit									
135 Professional Fees	15,000	13,000	15,000		15,000	15,000	15,000	15,000	15,000
Board of Assessors									
141	54,359	47,810	55,509		56,687	57,895	59,132	60,401	61,700
Salaries & wages	4,200	4,200	4,305	2.5%	4,413	4,523	4,636	4,752	4,871
Clerical	40,746	36,370	41,765	2.5%	42,809	43,879	44,976	46,100	47,253
Deeds/Plans	25	0	25		25	25	25	25	25
Postage	25	267	25		25	25	25	25	25
Dues	300	240	300		300	300	300	300	300
Tuition/Meetings	500	0	500		500	500	500	500	500
Dispatch map	0	0	0		0	0	0	0	0
Office supplies	1,000	1,220	1,015	1.5%	1,030	1,046	1,061	1,077	1,093
Equipment repair	750	0	761	1.5%	773	784	796	808	820
Software support	3,713	3,713	3,713		3,713	3,713	3,713	3,713	3,713
Tax map maintenance	3,100	1,800	3,100		3,100	3,100	3,100	3,100	3,100
Treasurer									
145	53,138	52,280	54,313		55,516	56,748	58,011	59,304	60,628
Treasurer Salary	35,440	35,438	36,326	2.5%	37,234	38,165	39,119	40,097	41,100

Asst Treasurer hourly	9,073	6,640	9,300	2.5%	9,532	9,771	10,015	10,265	10,522
Mileage	150	194	150		150	150	150	150	150
Postage	1,600	2,257	1,600		1,600	1,600	1,600	1,600	1,600
Dues/meetings	250	957	250		250	250	250	250	250
Office Supply	425	530	425		425	425	425	425	425
Software support	6,200	6,264	6,262	1.0%	6,325	6,388	6,452	6,516	6,581
Collector									
146	17,203	17,204	17,507		17,819	18,137	18,464	18,798	19,141
Asst Collector hourly	11,340	11,136	11,624	2.5%	11,914	12,212	12,517	12,830	13,151
Mileage	150	209	150		150	150	150	150	150
Postage	2,900	1,906	2,900		2,900	2,900	2,900	2,900	2,900
Dues/meetings	250	246	250		250	250	250	250	250
Office Supply	500	444	500		500	500	500	500	500
Software support	2,063	3,263	2,084	1.0%	2,104	2,126	2,147	2,168	2,190
Town Administrator									
150	89,074	83,510	90,877		92,725	94,620	96,561	98,552	100,592
Salary	56,270	56,270	57,677	2.5%	59,119	60,597	62,112	63,664	65,256
Hourly	15,854	12,378	16,250	2.5%	16,657	17,073	17,500	17,937	18,386
Mileage	500	754	500		500	500	500	500	500
Postage	1,300	1,028	1,300		1,300	1,300	1,300	1,300	1,300
Dues/Conferences	750	1,099	750		750	750	750	750	750
Telephone	3,650	3,116	3,650		3,650	3,650	3,650	3,650	3,650
Internet	0	0	0		0	0	0	0	0
Copier	1,000	677	1,000		1,000	1,000	1,000	1,000	1,000
Advertising	500	439	500		500	500	500	500	500
Office supplies	3,000	3,103	3,000		3,000	3,000	3,000	3,000	3,000
Repair/Tech services	2,500	426	2,500		2,500	2,500	2,500	2,500	2,500
Town Report	3,750	4,220	3,750		3,750	3,750	3,750	3,750	3,750
Legal									
151	10,000	9,351	10,000		10,000	10,000	10,000	10,000	10,000
Information Technology									
159	20,000	19,922	0		0	0	0	0	0
Maintenance	6,100	4,193							
Software and subscriptions	3,900	8,205							
Equipment and supplies	3,000	1,363							
Professional-Technical expenses			7,000	6,161					

Town Clerk									
161	29,855	27,832	30,531		31,223	31,933	32,661	33,407	34,172
Salaries	27,030	27,030	27,706	2.5%	28,398	29,108	29,836	30,582	31,347
Fees	50	0	50		50	50	50	50	50
Postage	200	179	200		200	200	200	200	200
Dues	100	45	100		100	100	100	100	100
Tuition/meetings	75	0	75		75	75	75	75	75
Subscriptions	100	0	100		100	100	100	100	100
Advertising	1,700	545	1,700		1,700	1,700	1,700	1,700	1,700
Office supplies	400	33	400		400	400	400	400	400
New equipment	200	0	200		200	200	200	200	200
Board of Registrars									
162	1,250	835	1,250		1,250	1,250	1,250	1,250	1,250
Salary	850	835	850		850	850	850	850	850
Office Supplies	400	0	400		400	400	400	400	400
Elections									
163	8,415	3,795	8,558		8,704	8,854	9,008	9,166	9,328
Salary	5,715	3,718	5,858	2.5%	6,004	6,154	6,308	6,466	6,628
Office Supplies	2,700	77	2,700		2,700	2,700	2,700	2,700	2,700
Debt Service									
710/750	63,710	63,708	63,710		63,710	63,710	63,710	63,710	63,710
Frontier Cap. Imprv Bond	0	0	0		0	0	0	0	0
School Roof repair bond	63,709	63,708	63,709		63,709	63,709	63,709	63,709	63,709
Short term interest	1	0	1		1	1	1	1	1
Town Insurance									
196	77,850	69,346	79,394		80,969	82,575	84,214	85,885	87,590
General Liability	30,200	35,863	30,804	2.0%	31,420	32,048	32,689	33,343	34,010
Insurance Fees	0	0	0		0	0	0	0	0
Worker's Compensation	32,000	20,534	32,640	2.0%	33,293	33,959	34,638	35,331	36,037
Police & Fire IOD	15,000	12,204	15,300	2.0%	15,606	15,918	16,236	16,561	16,892
Bonds	650	745	650		650	650	650	650	650
Employee Benefits									
900	584,686	584,686	622,276		662,646	706,512	753,108	803,686	857,516
Franklin County Retirement	155,386	155,386	159,271	2.5%	163,252	167,334	171,517	175,805	180,200
Unemployment Insurance	4,000	4,000	4,000		4,000	4,500	4,500	5,000	5,000

Group Insurance- Health	388,500	388,500	419,580	8.0%	453,146	489,398	528,550	570,834	616,501
Group Insurance- Life	1,800	1,800	1,800		1,800	1,800	1,800	1,800	1,800
Medicare & Social Security	35,000	35,000	37,625	7.5%	40,447	43,480	46,741	50,247	54,016
Personnel Committee									
190	100	0	100		100	100	100	100	100
Historical Commission									
691	400	400	400		400	400	400	400	400
Parks, Rec & Trails									
630	7,755	7,461	7,755		7,755	7,755	7,755	7,755	7,755
Festival of the Hills									
692	0	0	0		0	0	0	0	0
Conservation Commission									
171	1,050	95	1,050		1,050	1,050	1,050	1,050	1,050
Mowing	0	0							
Postage	50	0	50		50	50	50	50	50
Dues	200	0	200		200	200	200	200	200
Training	500	95	500		500	500	500	500	500
Advertising	0	0	0		0	0	0	0	0
Office supplies	200	0	200		200	200	200	200	200
Professional/Tech.	100	0	100		100	100	100	100	100
Planning Board									
175	3,160	367	3,160		3,160	3,160	3,160	3,160	3,160
Zoning Board of Appeals									
176	175	0	175		175	175	175	175	175
Police									
210	121,200	116,824	123,813		126,492	129,237	132,052	134,936	137,893
Salaries	66,996	66,995	68,671	2.5%	70,388	72,147	73,951	75,800	77,695
Hourly wages	37,534	40,301	38,472	2.5%	39,434	40,420	41,431	42,466	43,528
Radio fees	2,000	1,692	2,000		2,000	2,000	2,000	2,000	2,000
Postage	50	43	50		50	50	50	50	50
Dues	300	180	300		300	300	300	300	300
Training	1,400	1,402	1,400		1,400	1,400	1,400	1,400	1,400
Gasoline	7,000	3,410	7,000		7,000	7,000	7,000	7,000	7,000
Office supplies	1,300	124	1,300		1,300	1,300	1,300	1,300	1,300

Equipment	0	0	0		0	0	0	0	0
Vehicle maintenance	2,000	585	2,000		2,000	2,000	2,000	2,000	2,000
Software	1,620	1,320	1,620		1,620	1,620	1,620	1,620	1,620
Uniforms	1,000	772	1,000		1,000	1,000	1,000	1,000	1,000
Fire									
220	52,263	52,196	52,751		53,252	53,765	54,291	54,830	55,383
Salaries	7,538	7,536	7,726	2.5%	7,920	8,118	8,321	8,529	8,742
Clerical	821	821	842	2.5%	863	884	906	929	952
Labor	11,176	11,955	11,455	2.5%	11,742	12,035	12,336	12,645	12,961
Radio fees	3,200	2,902	3,200		3,200	3,200	3,200	3,200	3,200
Dues	500	375	500		500	500	500	500	500
Training	1,000	1,000	1,000		1,000	1,000	1,000	1,000	1,000
Phone rental	300	296	300		300	300	300	300	300
Cell phone	528	622	528		528	528	528	528	528
Gasoline/fuel	500	283	500		500	500	500	500	500
Office supplies	3,000	3,184	3,000		3,000	3,000	3,000	3,000	3,000
Vehicle maintenance	6,300	10,300	6,300		6,300	6,300	6,300	6,300	6,300
Equipment	10,000	5,606	10,000		10,000	10,000	10,000	10,000	10,000
SCBA maintenance	1,000	1,024	1,000		1,000	1,000	1,000	1,000	1,000
Turn out gear	6,400	6,292	6,400		6,400	6,400	6,400	6,400	6,400
Ambulance									
231	37,952	34,870	38,397		38,852	39,319	39,798	40,289	40,792
Salary	6,260	6,260	6,417	2.5%	6,577	6,741	6,910	7,083	7,260
Asst Director salary	2,092	545	2,144	2.5%	2,198	2,253	2,309	2,367	2,426
Clerk wages	335	0	343	2.5%	352	361	370	379	388
Hourly wages	9,096	6,265	9,323	2.5%	9,556	9,795	10,040	10,291	10,549
Radio fees	1,693	1,692	1,693		1,693	1,693	1,693	1,693	1,693
Postage	25	3	25		25	25	25	25	25
Training	750	3,896	750		750	750	750	750	750
License/exams	1,451	1,466	1,451		1,451	1,451	1,451	1,451	1,451
Telephone/cell	600	161	600		600	600	600	600	600
Transfer/intercept	7,000	6,253	7,000		7,000	7,000	7,000	7,000	7,000
Contract	0		0		0	0	0	0	0
Mileage	0		0		0	0	0	0	0
Office supplies	100	0	100		100	100	100	100	100
Other supplies	2,450	2,412	2,450		2,450	2,450	2,450	2,450	2,450
Maintenance/repairs	250	488	250		250	250	250	250	250
Software support	2,500	2,214	2,500		2,500	2,500	2,500	2,500	2,500
Uniforms	100	217	100		100	100	100	100	100

New equipment	1,500	1,234	1,500		1,500	1,500	1,500	1,500	1,500
Billing charges	1,750	1,764	1,750		1,750	1,750	1,750	1,750	1,750
Emergency Management									
291	4,250	3,850	4,250		4,250	4,250	4,250	4,250	4,250
Salary	2,000	2,000	2,000		2,000	2,000	2,000	2,000	2,000
Mileage	250	306	250		250	250	250	250	250
Alert system	1,500	1,326	1,500		1,500	1,500	1,500	1,500	1,500
Mgt equipment	500	218	500		500	500	500	500	500
Dog Officer/Animal Control									
292	2,000	2,000	2,000		2,000	2,000	2,000	2,000	2,000
Salary	350	350	350		350	350	350	350	350
Mileage	600	600	600		600	600	600	600	600
Kennel expense	350	350	350		350	350	350	350	350
Training	600	600	600		600	600	600	600	600
Equipment	100	100	100		100	100	100	100	100
Public Works									
422 Reg. + Winter + LABOR	577,564	549,504	583,035		588,643	594,391	600,282	606,321	612,511
<u>Highway Labor</u>									
Salary	60,338	61,502	61,846	2.5%	63,393	64,977	66,602	68,267	69,974
Hourly wages	158,501	136,839	162,464	2.5%	166,525	170,688	174,955	179,329	183,813
Part-time help	1,000	0	1,000		1,000	1,000	1,000	1,000	1,000
Overtime	<u>2,050</u>	1,524	2,050		2,050	2,050	2,050	2,050	2,050
SUB-TOTAL LABOR	221,889	199,865	227,360		232,968	238,716	244,607	250,646	256,836
<u>Highway Regular Expenses</u>									
Rentals	7,500	0	7,500		7,500	7,500	7,500	7,500	7,500
Advertising			0		0	0	0	0	0
Road signs			0		0	0	0	0	0
Black top	104,863	114,456	104,863		104,863	104,863	104,863	104,863	104,863
Pipe & Culverts			0		0	0	0	0	0
Sublet	21,358	42,831	21,358		21,358	21,358	21,358	21,358	21,358
Diesel	23,040	11,593	23,040		23,040	23,040	23,040	23,040	23,040
Office	5,000	4,541	5,000		5,000	5,000	5,000	5,000	5,000
Dept supplies	10,000	9,637	10,000		10,000	10,000	10,000	10,000	10,000
Vehicle maintenance	50,000	53,098	50,000		50,000	50,000	50,000	50,000	50,000
Repairs- Bridges			0		0	0	0	0	0
Uniforms	2,500	2,410	2,500		2,500	2,500	2,500	2,500	2,500
New equipment	10,000	15,064	10,000		10,000	10,000	10,000	10,000	10,000

SUB-TOTAL REGULAR	234,261	253,630	234,261	234,261	234,261	234,261	234,261	234,261
SUB-TOTAL REGULAR & LABOR	456,150	453,495	461,621	467,229	472,977	478,868	484,907	491,097
<u>Winter Expenses</u>								
Temp Employ	3,000	1,724	3,000	3,000	3,000	3,000	3,000	3,000
Overtime Pay	15,414	15,976	15,414	15,414	15,414	15,414	15,414	15,414
Diesel	15,000	13,258	15,000	15,000	15,000	15,000	15,000	15,000
Sand	20,000	11,492	20,000	20,000	20,000	20,000	20,000	20,000
Salt	60,000	41,322	60,000	60,000	60,000	60,000	60,000	60,000
Supplies	8,000	12,237	8,000	8,000	8,000	8,000	8,000	8,000
New equipment								
SUB-TOTAL WINTER	121,414	96,009	121,414	121,414	121,414	121,414	121,414	121,414
TOTAL REGULAR + WINTER	355,675	349,639	355,675	355,675	355,675	355,675	355,675	355,675
Building Maintenance								
192	72,659	72,589	72,659	72,659	72,659	72,659	72,659	72,659
Custodian Salary	16,559	16,684	16,559	16,559	16,559	16,559	16,559	16,559
Electricity - Buildings	9,100	6,813	9,100	9,100	9,100	9,100	9,100	9,100
Electricity - Outdoors	8,000	6,636	8,000	8,000	8,000	8,000	8,000	8,000
Building Maintenance/ Property Management	5,000	3,767	5,000	5,000	5,000	5,000	5,000	5,000
Rent - Sheep Barn	3,000	3,000	3,000	3,000	3,000	3,000	3,000	3,000
Heat – oil	8,000	3,904	8,000	8,000	8,000	8,000	8,000	8,000
Heat – propane	12,000	9,715	12,000	12,000	12,000	12,000	12,000	12,000
Building Repairs	3,500	7,517	3,500	3,500	3,500	3,500	3,500	3,500
Custodial Supplies	500	296	500	500	500	500	500	500
Grounds Maintenance	7,000	14,257	7,000	7,000	7,000	7,000	7,000	7,000
Tree Warden								
294	375	497	375	375	375	375	375	375
Salary	300	497	300	300	300	300	300	300
Dues/Conference	75	0	75	75	75	75	75	75
Schools								
	3,186,968	3,186,968	3,291,369	3,399,423	3,511,260	3,627,011	3,746,813	3,870,808
Conway Grammar School								
CGS Operating	1,717,428	1,717,428						

CGS Transportation		<u>95,000</u>	<u>95,000</u>							
CGS total:		1,812,428	1,812,428	1,875,863	3.5%	1,941,518	2,009,471	2,079,803	2,152,596	2,227,937
Frontier Regional HS										
	FRHS Operating	1,154,446	1,154,446							
	FRHS Transport	<u>16,000</u>	<u>16,000</u>							
Frontier total:		1,170,446	1,170,446	1,211,412	3.5%	1,253,811	1,297,694	1,343,114	1,390,123	1,438,777
Franklin Reg Tech School		132,076	132,076							
Smith Voc and Agricultural		36,868	36,868							
	SVAHS transportation	<u>35,150</u>	<u>35,150</u>							
Technical schools total:		204,094	204,094	204,094		204,094	204,094	204,094	204,094	204,094
Board of Health										
512		168,729	149,897	162,999		163,301	163,610	163,927	164,252	164,585
Hourly employ		29,718	37,070	29,718		29,718	29,718	29,718	29,718	29,718
Clerical		11,775	11,575	12,069	2.5%	12,371	12,680	12,997	13,322	13,655
Animal Inspector		1,600	1,600	1,600		1,600	1,600	1,600	1,600	1,600
Elected - stipend		5,617	5,468	5,617		5,617	5,617	5,617	5,617	5,617
Electric		2,165	1,886	2,165		2,165	2,165	2,165	2,165	2,165
Mileage		500	192	500		500	500	500	500	500
Dump maintenance		4,000	0	4,000		4,000	4,000	4,000	4,000	4,000
Postage		100	106	100		100	100	100	100	100
Dues		6,550	4,913	6,550		6,550	6,550	6,550	6,550	6,550
Tuition/meetings		500	0	500		500	500	500	500	500
FCSWMD		300	285	500		500	500	500	500	500
Telephone		6,524	6,524	300		300	300	300	300	300
Other services		9,000	6,338	9,000		9,000	9,000	9,000	9,000	9,000
Advertising		300	0	300		300	300	300	300	300
Trucking		41,330	36,634	41,330		41,330	41,330	41,330	41,330	41,330
Trucking Bulk				0		0	0	0	0	0
Trucking Trash				0		0	0	0	0	0
Disposal/ Tip		38,000	31,127	38,000		38,000	38,000	38,000	38,000	38,000
Hazard Waste		5,000	3,604	5,000		5,000	5,000	5,000	5,000	5,000
Office supplies		500	0	500		500	500	500	500	500
Other supplies		2,500	1,830	2,500		2,500	2,500	2,500	2,500	2,500
Building Repairs		2,000	0	2,000		2,000	2,000	2,000	2,000	2,000
Rabies		750	745	750		750	750	750	750	750
Council on Aging										
541		1,200	1,160	1,200		1,200	1,200	1,200	1,200	1,200

Veterans' Services									
543	9,766	6,619	9,766		9,766	9,766	9,766	9,766	9,766
Benefits	6,533	6,619	6,533		6,533	6,533	6,533	6,533	6,533
Operating	3,033	0	3,033		3,033	3,033	3,033	3,033	3,033
Flag	200	0	200		200	200	200	200	200
FRCOG									
830	55,538	48,475	57,482	3.5%	59,494	61,576	63,731	65,962	68,270
Grand Total					5,675,646	5,850,334	6,032,152	6,222,501	6,420,808
Percent change	6.2%	-2.4%	2.5%		3.0%	3.1%	3.1%	3.2%	3.2%
Dollar change	311,536	(128,626)	134,016		166,936	174,688	181,818	190,349	198,307

Capital Improvement Projections

Summary

20-Year Capital Expenditure Projection Summary

FY	Total	Fire	Highway	Police	Ambulance	Tech	Town Bldgs
2018	279,700	53,000	175,000	48,000	0	3,700	0
2019	260,500	2,800	241,000	13,000	0	3,700	0
2020	86,800	0	80,000	0	0	6,800	0
2021	1,600	0	0	0	0	1,600	0
2022	155,600	0	150,000	0	0	5,600	0
2023	294,700	0	246,000	45,000	0	3,700	0
2024	169,700	0	166,000	0	0	3,700	0
2025	6,800	0	0	0	0	6,800	0
2026	79,600	18,000	60,000	0	0	1,600	0
2027	500,600	500,000	0	0	0	600	0
2028	109,700	8,000	50,000	48,000	0	3,700	0
2029	98,500	2,800	74,000	13,000	0	8,700	0
2030	6,800	0	0	0	0	6,800	0
2031	1,600	0	0	0	0	1,600	0
2032	45,600	45,000	0	0	0	600	0
2033	299,700	0	251,000	45,000	0	3,700	0
2034	169,700	0	166,000	0	0	3,700	0
2035	86,800	0	80,000	0	0	6,800	0
2036	256,600	250,000	0	0	0	6,600	0
2037	150,600	0	150,000	0	0	600	0
2038	259,700	8,000	200,000	48,000	0	3,700	0
Totals	3,320,900	887,600	2,089,000	260,000	0	84,300	0

Funding Source Capacity

FY	Stabilization:	Fire	Highway	Police	Tech	Transfer	Gen Stab
2018		(33,000)	40,000	0	(2,000)	8,000	70,745
2019		(2,800)	40,000	0	(2,000)	8,000	70,745
2020		0	(40,000)	0	(4,000)	8,000	70,745
2021		0	0	0	0	8,000	70,745
2022		0	(150,000)	0	0	8,000	70,745
2023		0	0	0	(2,000)	8,000	70,745
2024		0	(166,000)	0	(2,000)	8,000	70,745
2025		0	0	0	(4,000)	8,000	70,745
2026		(18,000)	(60,000)	0	0	8,000	70,745
2027		(500,000)	0	0	0	8,000	70,745
2028		(8,000)	(50,000)	0	(2,000)	8,000	70,745
2029		(2,800)	(74,000)	0	(2,000)	8,000	70,745
2030		0	(90,000)	0	(4,000)	8,000	70,745
2031		(175,000)	0	0	0	8,000	70,745
2032		(45,000)	(90,000)	0	0	8,000	65,745
2033		0	(251,000)	0	(2,000)	8,000	65,745
2034		0	(35,000)	0	(2,000)	8,000	65,745
2035		0	(80,000)	0	(4,000)	8,000	65,745
2036		(250,000)	0	0	0	8,000	65,745
2037		0	(150,000)	0	0	8,000	60,745
2038		(8,000)	(200,000)	0	(2,000)	8,000	60,745
Totals		(1,042,600)	(1,356,000)	0	(34,000)	168,000	1,440,645

Capital Expenditure – Summary Years 1-10

Projected Expenditures	1 2018	2 2019	3 2020	4 2021	5 2022	6 2023	7 2024	8 2025	9 2026	10 2027
<u>By Department</u>										
Fire	53,000	2,800	0	0	0	0	0	0	18,000	500,000
Highway	175,000	241,000	80,000	0	150,000	246,000	166,000	0	60,000	0
Police	48,000	13,000	0	0	0	45,000	0	0	0	0
Ambulance	0	0	0	0	0	0	0	0	0	0
Technology	3,700	3,700	6,800	1,600	5,600	3,700	3,700	6,800	1,600	600
Town Buildings	0	0	0	0	0	0	0	0	0	0
Total Projected Annual Expenditures	279,700	260,500	86,800	1,600	155,600	294,700	169,700	6,800	79,600	500,600
Projected Expenditures	11 2028	12 2029	13 2030	14 2031	15 2032	16 2033	17 2034	18 2035	19 2036	20 2037
<u>By Department</u>										
Fire	8,000	2,800	0	0	45,000	0	0	0	250,000	0
	0	0	0	0	0	0	0	0	0	0
Highway	50,000	74,000	0	0	0	251,000	166,000	80,000	0	150,000
	0	0	0	0	0	0	0	0	0	0
Police	48,000	13,000	0	0	0	45,000	0	0	0	0
	0	0	0	0	0	0	0	0	0	0
Ambulance	0	0	0	0	0	0	0	0	0	0
	0	0	0	0	0	0	0	0	0	0
Technology	3,700	8,700	6,800	1,600	600	3,700	3,700	6,800	6,600	600
	0	0	0	0	0	0	0	0	0	0
Town Buildings	0	0	0	0	0	0	0	0	0	0
	0	0	0	0	0	0	0	0	0	0
Total Projected Annual Expenditures	109,700	98,500	6,800	1,600	45,600	299,700	169,700	86,800	256,600	150,600

Capital Expenditure Projections – Years 1-10

Department / Description	1 2018	2 2019	3 2020	4 2021	5 2022	6 2023	7 2024	8 2025	9 2026	10 2027
FIRE DEPARTMENT										
1990 International Pumper										
1999 GMC Yukon	45,000									
2002 International 4400 Pumper										500,000
2011 Kenworth Fire Truck										
Argus Thermal Imager									18,000	
Scott Air Packs (10)	8,000									
Gas / CO Detector		2,800								
HIGHWAY DEPARTMENT										
1998 Ford Dump Truck	150,000									
2004 International 7400 Dump Truck		175,000								
2007 International 7400 Dump Truck					150,000					
1997 Caterpillar Loader 928			40,000							
2012 Caterpillar Wheel Loader 930			40,000							
1998 John Deere Rd Grader						170,000				
2014 Volvo MTC 110D Skid-steer		36,000					36,000			
2013 Volvo ECR 58 Mini Excavator		30,000					30,000			
2013 Supercam equipment trailer										
2014 Dodge 3500	25,000					45,000				
2008 Chevrolet 4500 Dump Truck									60,000	
1998 Volvo Dump/Plow Truck							100,000			
2008 John Deere Tractor/Mower										
2013 Kubota Tractor/ Snowblower						25,000				
2013 Work zone safety trailer						6,000				
Ambulance Cab/Chassis Ford F-450										
POLICE DEPARTMENT										
2013 Chevrolet Tahoe	45,000					45,000				
Vests (6 @ \$1,000 each) *	3,000	3,000								
Radio System (800 mhz) *		10,000								

* possible grants opportunity

Department / Description	1 2018	2 2019	3 2020	4 2021	5 2022	6 2023	7 2024	8 2025	9 2026	10 2027
AMBULANCE										
2013 Dodge Ambulance										
Portable Radios-Full Keypad (5)										
Radio-Limited Keypad (5)										
CAS 740 Multi-Parameter Monitor										
Stryker Stair Chair Pro 6252M										
Stryker Power Pro XT Stretcher										
Masimo Red 57 Oximeter										
Zoll AED Plus (2)										
TECHNOLOGY										
CPU	2,000	2,000	4,000			2,000	2,000	4,000		
Monitors	300	300	600			300	300	600		
Printers	800	800	1,600			800	800	1,600		
Copiers	600	600	600	600	5,600	600	600	600	600	600
Network related				1,000					1,000	
TOWN BUILDINGS										
Total Annual Expenditures	279,700	260,500	86,800	1,600	155,600	294,700	169,700	6,800	79,600	500,600

Revenue Tracking - Years 1-10

	1 2018	2 2019	3 2020	4 2021	5 2022	6 2023	7 2024	8 2025	9 2026	10 2027
<u>Ambulance</u>										
Begin balance		0	17,200	37,200	57,200	77,200	97,200	117,200	137,200	139,200
Annual contribution to	20,000	20,000	20,000	20,000	20,000	20,000	20,000	20,000	20,000	20,000
Annual expenditures from	(53,000)	(2,800)						0	(18,000)	(500,000)
Year-end balance	(33,000)	17,200	37,200	57,200	77,200	97,200	117,200	137,200	139,200	(340,800)
<u>Capital</u>										
Begin balance		40,000	80,000	40,000	80,000	0	40,000	0	40,000	20,000
Annual contribution to	40,000	40,000	40,000	40,000	40,000	40,000	40,000	40,000	40,000	40,000
Annual expenditures from			(80,000)		(150,000)		(166,000)	0	(60,000)	
Year-end balance	40,000	80,000	40,000	80,000	(30,000)	40,000	(86,000)	40,000	20,000	60,000
<u>Highway Garage</u>										
Begin balance		0	0	0	0	0	0	0	0	0
Annual contribution to	0	0	0	0	0	0	0	0	0	0
Annual expenditures from	0	0	0	0	0	0	0	0	0	0
Year-end balance	0	0	0	0	0	0	0	0	0	0
<u>Grammar School</u>										
Begin balance	0	0	0	0	0	0	0	0	0	0
Annual contribution to	0	0	0	0	0	0	0	0	0	0
Annual expenditures from	(2,000)	(2,000)	(4,000)	0	0	(2,000)	(2,000)	(4,000)	0	0
Year-end balance	(2,000)	(2,000)	(4,000)	0	0	(2,000)	(2,000)	(4,000)	0	0
GENERAL STABILIZATION										
Begin balance		70,745	120,745	170,745	220,745	270,745	320,745	370,745	420,745	470,745
Annual contribution to	70,745	50,000	50,000	50,000	50,000	50,000	50,000	50,000	50,000	50,000
Addl Appropriations for dept										
Year-end balance	70,745	120,745	170,745	220,745	270,745	320,745	370,745	420,745	470,745	520,745
CHAPTER 90										
Begin balance		244,000	488,000	732,000	976,000	1,220,000	1,464,000	1,708,000	1,952,000	2,196,000
Annual contribution to	244,000	244,000	244,000	244,000	244,000	244,000	244,000	244,000	244,000	244,000
Appropriations for roads										
Appropriations for other										
Highway										
Highway garage										
Year-end balance	244,000	488,000	732,000	976,000	1,220,000	1,464,000	1,708,000	1,952,000	2,196,000	2,440,000

Capital Expenditures – Summary Years 11-20

Department / Description	11 2028	12 2029	13 2030	14 2031	15 2032	16 2033	17 2034	18 2035	19 2036	20 2037
FIRE DEPARTMENT										
1990 International Pumper										
1999 GMC Yukon					45,000					
2002 International 4400 Pumper										
2011 Kenworth Fire Truck									250,000	
Argus Thermal Imager										
Scott Air Packs (10)	8,000									
Gas / CO Detector		2,800								
HIGHWAY DEPARTMENT										
1998 Ford Dump Truck										
2004 International 7400 Dump Truck					175,000					
2007 International 7400 Dump Truck										150,000
1997 Caterpillar Loader 928								40,000		
2012 Caterpillar Wheel Loader 930								40,000		
1998 John Deere Rd Grader										
2014 Volvo MTC 110D Skid-steer		36,000					36,000			
2013 Volvo ECR 58 Mini Excavator		30,000					30,000			
2013 Supercam equipment trailer		8,000								
2014 Dodge 3500	25,000					45,000				
2008 Chevrolet 4500 Dump Truck										
1998 Volvo Dump/Plow Truck							100,000			
2008 John Deere Tractor/Mower	25,000									
2013 Kubota Tractor/Snowblower						25,000				
2013 Work zone safety trailer						6,000				
Ambulance Cab/Chassis Ford F-450										
POLICE DEPARTMENT										
2013 Chevrolet Tahoe	45,000					45,000				
Vests (6 @ \$1,000 each) *	3,000	3,000								
Radio System (800 mhz) *		10,000								

* possible grants opportunity

AMBULANCE

2013 Dodge Ambulance										
Portable Radios-Full Keypad (5)										
Radio-Limited Keypad (5)										
CAS 740 Multi-Parameter Monitor										
Stryker Stair Chair Pro 6252M										
Stryker Power Pro XT Stretcher										
Masimo Red 57 Oximeter										
Zoll AED Plus (2)										

TECHNOLOGY

CPU	2,000	2,000	4,000			2,000	2,000	4,000		
Monitors	300	300	600			300	300	600		
Printers	800	800	1,600			800	800	1,600		
Copiers	600	5,600	600	600	600	600	600	600	5,600	600
Network related				1,000					1,000	

TOWN BUILDINGS

Total Annual Expenditures	109,700	98,500	6,800	1,600	45,600	299,700	169,700	86,800	256,600	150,600
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Revenue Tracking - Years 11-20

	11 2028	12 2029	13 2030	14 2031	15 2032	16 2033	17 2034	18 2035	19 2036	20 2037
<u>Ambulance</u>										
Begin balance	0	12,000	29,200	49,200	0	0	20,000	40,000	60,000	0
Annual contribution to	20,000	20,000	20,000	20,000	20,000	20,000	20,000	20,000	20,000	20,000
Annual expenditures from	(8,000)	(2,800)	0	(175,000)	(45,000)	0	0	0	(250,000)	0
Year-end balance	12,000	29,200	49,200	(105,800)	(25,000)	20,000	40,000	60,000	(170,000)	20,000
<u>Capital</u>										
Begin balance	60,000	50,000	16,000	0	40,000	0	0	5,000	0	40,000
Annual contribution to	40,000	40,000	40,000	40,000	40,000	40,000	40,000	40,000	40,000	40,000
Annual expenditures from	(50,000)	(74,000)	(90,000)	0	(90,000)	(251,000)	(35,000)	(80,000)	0	(150,000)
Year-end balance	50,000	16,000	(34,000)	40,000	(10,000)	(211,000)	5,000	(35,000)	40,000	(70,000)
<u>Highway Garage</u>										
Begin balance	0	0	0	0	0	0	0	0	0	0
Annual contribution to	0	0	0	0	0	0	0	0	0	0
Annual expenditures from	0	0	0	0	0	0	0	0	0	0
Year-end balance	0	0	0	0	0	0	0	0	0	0
<u>Grammar School</u>										
Begin balance	0	0	0	0	0	0	0	0	0	0
Annual contribution to	0	0	0	0	0	0	0	0	0	0
Annual expenditures from	(2,000)	(2,000)	(4,000)	0	0	(2,000)	(2,000)	(4,000)	0	0
Year-end balance	(2,000)	(2,000)	(4,000)	0	0	(2,000)	(2,000)	(4,000)	0	0
GENERAL STABILIZATION										
Begin balance	520,745	570,745	620,745	670,745	720,745	765,745	815,745	865,745	915,745	965,745
Annual contribution to	50,000	50,000	50,000	50,000	50,000	50,000	50,000	50,000	50,000	50,000
Addl Appropriations for dept	0	0	0	0	(5,000)	0	0	0	0	(5,000)
Year-end balance	570,745	620,745	670,745	720,745	765,745	815,745	865,745	915,745	965,745	1,010,745
CHAPTER 90										
Begin balance	2,440,000	2,574,000	2,818,000	3,056,000	3,300,000	3,414,000	3,658,000	3,902,000	4,146,000	4,390,000
Annual contribution to	244,000	244,000	244,000	244,000	244,000	244,000	244,000	244,000	244,000	244,000
Appropriations for roads										
Appropriations for other capital										
Highway	(110,000)		(6,000)		(130,000)					
Highway garage										
Year-end balance	2,574,000	2,818,000	3,056,000	3,300,000	3,414,000	3,658,000	3,902,000	4,146,000	4,390,000	4,634,000

Finance Related Bylaws

General Bylaws

General bylaws, together with state statutes, set the rules by which the Town governs itself. Bylaws must be adopted by Town Meeting, in an annual or a special session, and take effect only after approval by the Municipal Law Unit of the State Attorney General's Office. Bylaws remain in effect unless and until amended or repealed by town residents at a town meeting. It is the responsibility of the Town Clerk to retain the official copy of Town Bylaws and to ensure that they are up-to-date. The Town of Conway General Bylaws can be found at: <http://www.townofconway.com/admin/wp-content/uploads/2009/10/General-Bylaws-rev.-May-2015.pdf>. Finance-related bylaws are as follows.

Form and Conduct of Town Government

THE TOWN MEETING

Section 1: The ANNUAL TOWN MEETING for the election of Town Officers shall be considered the adjournment of the Town Meeting and shall be on the following Thursday of May in each year. (Amended – Special Meeting – 17 Oct 2011)

Section 2: All business of the ANNUAL TOWN MEETING to be held on the second Monday evening in May at 7:30 p.m. (Amended – Special Meeting – 17 Oct 2011)

Section 3: The polls shall be opened at eleven o'clock in the morning and shall remain open until seven o'clock in the evening.

Section 4: Notices for every Town Meeting shall be given by posting attested copies of the warrant therefor in at least two public places in the Town not less than seven days fixed for such meeting.

Section 5: Articles for the warrant will be received by the Selectmen not less than sixty days before the date set for the meeting. Articles from regional organizations, including regional school districts and the Franklin Regional Council of Governments, are exempt from warrant closing deadlines. If petitioned, each article must be signed by ten registered voters. This shall not be construed to prohibit the Board of Selectmen from re-opening the warrant if it so desires.

(Amended – Annual Meeting – 14 April 1986)

(Amended – Annual Meeting – 12 April 2010)

(Amended – Special Town Meeting – 31 January 2011)

(Amended – Annual Meeting – 11 May 2015)

Section 6: As soon as the Town Reports are received from the printer, the Selectmen shall cause to be mailed, or otherwise delivered, a copy to each head of family.

Section 7: At least three days before the date of any special Town Meeting the Selectmen shall cause to be mailed, or otherwise delivered, to each head of family of the Town, a notice of the business to be transacted. (Amended –10 Feb 1969)

Section 8: As soon as practical after the adjournment of any Town Meeting, on a vote to adjourn to another day, the Town Clerk shall cause a brief statement of the day and hour to which adjournment was voted, to be posted in at least two public places and, if time permits, such notice to be given to the papers.

Section 9: The number of voters necessary to constitute a quorum shall be twenty-five provided, however, that a number less than a quorum may from time to time adjourn the same. This section does not apply to such parts of a meeting as is devoted exclusively to the election of Town officers.

Section 10: Articles of the warrant shall be acted upon in the order in which they appear unless otherwise determined by vote of the meeting.

Section 11: All motions shall be presented in writing if so directed by the Moderator.

Section 12: If a motion is susceptible of division, it shall be divided and the questions put separately upon each part thereof, if ten of the voters present so request.

Section 13: On proposed amendments involving sums of money, the larger or largest amount shall be put to the question first, and an affirmative vote shall be a negative vote on any smaller amount.

Section 14: Any person who is employed as an attorney by another interested in any matter under consideration at a Town Meeting shall disclose the fact of his employment before speaking thereon.

Section 15: When a question is put, the sense of the meeting shall be determined by a show of hands, and the Moderator shall declare the vote as it appears to him. If the decision of the chair is doubted, or a division of the house is called for, the Moderator shall request all persons in the house to be seated, and may appoint tellers. The question shall then be distinctly stated and those voting in the affirmative and negative respectively, shall rise and stand in their places until they are counted by the Moderator or tellers, if any.

Section 16: The meeting may order that the vote on any motion shall be taken by a “yes or no” ballot.

Section 17: No person shall speak more than once on any question to the exclusion of any other person who may desire to speak thereon, nor more than twice without first obtaining leave of the meeting, except in either case for the brief correction of an error in or misunderstanding of his previous statement.

Section 18: No person shall speak for more than ten minutes on any question unless his time shall be extended by vote of the meeting.

Section 19: No vote of the meeting shall be reconsidered unless notice of intention to ask for reconsideration shall have been given within one hour after the vote to which such notice relates has been passed.

Section 20: All committees shall report as directed by the Town. If no report is made within one year after its appointment, a committee shall be discharged, unless in the meantime, the Town shall have granted an extension of time.

Section 21: No motion, the effect of which would be to dissolve the meeting, shall be in order until every article in the warrant therefor has been duly considered and acted upon, but this shall not preclude the postponement of any article to an adjournment of the meeting to the stated time and place

TOWN OFFICERS, BOARDS AND COMMITTEES

Section 1: The Selectmen shall have the general direction and management of the property and affairs of the Town. When deemed advisable, care and operation of certain properties and affairs may be delegated to other persons or committees.

Section 2: It shall be the duty of the Town Clerk immediately after every Town Meeting to notify in writing all members of committees who may be elected or appointed at such meeting, stating the business upon which they are to act and the names of the persons composing the committee; and also to notify all officers, boards and committees of all votes passed at such meetings in any way affecting them.

Section 3: There shall be a Finance Committee of six registered voters of the Town who shall be appointed by the Moderator as hereinafter provided. No individual serving the Town of Conway as an elected official nor as an appointed individual that has administrative responsibility over a budget, nor as an employee working more than half-time shall be eligible to serve on this committee. (Amended – Annual Meeting – 9 April 1990), (Amended– Annual Meeting – 11 April 2011) The Moderator of the Town Meeting, when this bylaw is adopted, shall within thirty days after such bylaw become effective, appoint two members for a term of three years, two for a term of two years, and two for a term of one year. At each annual Town Meeting thereafter, the Moderator thereof shall appoint two members of said committee for a term of three years. The term of office of said members shall commence immediately upon qualification and shall expire at the close of final adjournment of the annual Town Meeting at which their successors are appointed. Said committee shall choose their own officers and shall serve without pay. The Finance Committee shall recommend the appropriations for the Town's budget and shall recommend and authorize all transfers from the Reserve Fund.

Section 4: Under Chapter 60, Section 2 of the General Laws, the Tax Collector, once in each week or oftener, pay over to the Treasurer all moneys received by him during the preceding week or lesser period on account of taxes and interest, including any sums received as interest on moneys received by him on account of taxes and interest and deposited in any bank. (Amended – Annual Meeting –April 1980)

Section 5: Removed 12 April 2010

Section 6: Except as otherwise provided by law, the Treasurer shall have custody of deeds, bonds, contracts, insurance policies and other similar documents owned by the Town, except that the bonds given by the Treasurer, the Collector of Taxes to the Town shall be in the custody of the Selectmen

Section 7: The Board of Selectmen shall have the right to take any steps necessary to apply for any federal, state, or private grants without prior Town Meeting approval. (Amended – Annual Meeting – April 1980)

FINANCIAL

Section 1: An audit of the accounts of the Town shall be made annually (or biannually) under the supervision of the State Division of Accounts as the Director of Accounts shall arrange, as provided by Section 25 of Chapter 44 of the General Laws.

Section 2: No records or equipment belonging to the Town are to be taken from the Town Office.

Section 3: THE RESERVE FUND, CHAPTER 40, SECTION 6 OF THE GENERAL LAWS:

To provide for extraordinary or unforeseen expenditures, the Town may, at an annual Town Meeting, appropriate a sum, not exceeding five percent of the tax levy of the preceding year, to be known as the Reserve Fund. No direct drafts against this fund shall be made, but transfers from the fund may, from time to time, be voted by the Finance Committee of the Town; the Town Accountant or the officer of the Town performing his duties, shall make such transfers, accordingly. (Adopted – Annual Meeting - 6 March 1961)

Did this article pass?

ARTICLE 19: To see if the Town will vote to establish a five (5) member **Capital Improvements Planning Committee** to be appointed by the Selectboard, to include one (1) member of the Finance Committee, one (1) member of the Selectboard Board, and three (3) members at large who will study all capital projects and improvements for the purpose of long-range financial planning, and who will develop a multi-year plan for capital improvements, which will be updated annually, approved by the Selectboard, and reported at each Town Meeting, or take any action relative thereto. – Recommended

Financial Policies

Financial Policies

Overview

The purpose of financial policies is to provide the Town with a sound underlying foundation for fiscal decision-making and with guidelines that will:

- remain consistent from year- to-year and thereby enhance stability and continuity in government;
- promote sound annual budget practices and accountability in government;
- advance the achievement of long-term town-wide goals, including capital investment;
- provide for the maintenance of reserves so that the town is well-positioned to address emergency or unforeseen events;
- protect the town's bond rating and in turn reduce its borrowing costs and thereby minimizing the burden on taxpayers;
- instill confidence among residents that taxpayer dollars and other town resources are spent wisely and responsibly;
- encourage actions intended to help retain and enhance the character of the town and quality of life in it for residents.

Approval and Review of Policies

Town financial policies take effect upon the review and formal approval of the Board of Selectmen and Finance Committee, and are to be revisited periodically. Administrative procedures and policies described under Employee Guidelines should have the sign-off of the Treasurer/Collector and Accountant as appropriate. Otherwise, recommendations originate can from a department head or an appointed or elected board or committee which oversees a department or programs.

The Finance Committee is charged, each year during the budget process, to determine whether the operating and capital budget recommendations presented to it for review comply with the financial policies of the Town.

While Financial Policies are intended to encourage consistent, well-guided fiscal decisions from year-to-year, it is recognized that unforeseen or extraordinary circumstances can arise. In these instances, deviation from adopted Financial Policies may occur, but decision-makers will nonetheless strive to remain faithful to the overall goals and objectives set by the Town.

Budget Guidelines

Implementation of a well-founded budget process is a measure by which residents often gauge the performance of municipal government. The budget document itself is a mechanism for communicating town revenue setting policies, spending priorities and financial goals. A consistent budget process sets clear expectations for department heads and valuable predictability for residents from year-to-year. To advance these worthwhile goals, it is therefore the policy of the Town that:

- The annual budget development process will be consistent from year-to-year and the roles and responsibilities of all involved will be clear;
- A balanced annual operating budget will be presented to Town Meeting for its approval;
- Efforts will be directed to produce an operating budget which is structurally balanced, that is, where recurring revenues are projected to fully fund recurring expenditures;
- One-time, or non-recurring, revenue will not be used to support recurring expenditures, but will be reserved for capital, emergency or other one-time spending purposes;
- Revenue projections will be conservative with the intent to maximize the Town's ability to maintain Free Cash levels;
- Departmental appropriation requests in the spring will represent amounts needed to fund respective programs and services for the entire ensuing fiscal year;
- No department, board, committee, commission or person with spending authority will knowingly incur an appropriation deficit, which is not already permitted by law;

Reserves

The establishment and maintenance of adequate financial reserves are essential in providing the Town with financial flexibility and security. Reserves can be used to finance unforeseen or emergency needs, to hold money for specific purposes, or in some cases, to serve as a revenue source for the annual budget. Levels of reserved fund balance and unrestricted fund balance in the General Fund are monitored by credit rating agencies in evaluating creditworthiness that impacts the Town's bond rating and consequently, its cost to fund major capital projects through long term borrowing.

Therefore, the Town establishes the following policies for funding and maintaining reserves.

Overall Goal

The Town will strive to maintain reserves, including the combined balance of Stabilization Fund and certified Free Cash at a level of 10-to-15 percent of annual general fund operating revenues.

Free Cash Policy

Free cash refers to the remaining year-end balance of the Town's General Fund determined to be unreserved and undesignated, and not offset by deficits. Primary sources of Free Cash are revenues in excess of projections and unexpended departmental appropriations as of June 30. Free Cash is available for appropriation only after it is certified by the State Department of Revenue's Division of Local Services based on a balance sheet and other documents submitted by the Town. Healthy Free Cash is a widely accepted measure of good financial standing and an important indicator of whether the Town is living within its means.

Therefore, it is the policy of the Town

- To maximize opportunities to create Free Cash and to strive toward an annual certified Free Cash level of five (5) percent or greater of annual General Fund revenues.
- To restrict the use Free Cash, to the extent possible and practical, to one-time expenditures and to build or replenish the Town's Stabilization Funds.
- To refrain, under normal circumstances, the used of Free Cash to fund the operating budget or other recurring expenditures.

Stabilization Fund Policy

The Town's General Stabilization Fund is a non-recurring financing source established under the provisions of MGL Chapter 40, Section 5B and can be used for any lawful purpose. It is most

often intended as a reserve to provide long-term financial stability, to finance capital expenditures and protect against emergencies costs. A Special Purpose Stabilization Fund, also authorized by Section 5B, is established to target a specific spending purpose. Both enhance the Town's credit worthiness and fiscal flexibility.

Towns can appropriate, without limit, into the fund by majority vote of Town Meeting, but spending from the fund requires a 2/3s Town Meeting vote. Under Chapter 281 of the Acts of 2016, Towns may also, by 2/3s Town Meeting vote, dedicate all, or a percentage not less than 25 per cent, of a particular fee, charge or other receipt to any stabilization fund, except receipts reserved by law, taxes or excises. Through an override option, Towns can also raise and direct tax dollars to a Special Purpose Stabilization Funds.

It is the policy of the Town to:

- Maintain a General Stabilization Fund balance of three (3) percent or greater of the Town's annual General Fund revenues.
- Restrict the use of Stabilization Funds to capital expenditures or other one-time costs. Stabilization Fund balances will not be used to fund town operations or other recurring costs.
- Strive to develop a plan to replenish Stabilization Fund balances when the Town draws monies from them.

Finance Committee Reserve Policy

A Town reserve fund is allowed under the provisions of MGL Chapter 40, Section 6 only for extraordinary and unforeseen expenditures on approval of the Finance Committee. Any year-end reserve fund balance that remains unspent potentially flows to Free Cash.

It is the policy of the Town that:

- The Town Reserve shall be funded at a level of \$40,000 annually, unless economic circumstances or anticipated fiscal events justify otherwise.
- Any request for a reserve fund transfer must first be submitted on a standard form to the Town Administrator, who shall so inform the Board of Selectmen at its next regular meeting;
- The Town Administrator shall review all requests with a focus on potential alternative courses of action and without unreasonable delay submit requests to the Finance Committee, with recommendations, if any;

- Approval of a transfer request must be sought in advance of the expected expenditure in order to avoid an appropriation deficit;
- The Finance Committee may not approve any transfer request for a purpose that has already been placed before Town Meeting and not approved by it.

Departmental Transfer Requests

Departments may request additional funds for the current fiscal year only for costs that arise or are unanticipated due to emergency or unforeseen circumstances.

All requests for fund transfers must be submitted first to the Town Administrator, who shall recommend action to the Board of Selectmen and the Finance Committee. The Town Administrator's recommendation shall consider:

- whether alternatives exist for addressing the cited circumstances and cost; and
- whether the transfer request:
 - should be directed to the Finance Committee for a transfer from its reserve (MGL c.40 §6);
 - should be addressed as a line-item transfer to be submitted to the Board of Selectmen for approval in conjunction with the Finance Committee after May 1 and before July 15. (MGL c.44 §33B(b));
 - should be addressed as a line-item transfer to be submitted to the Annual or a Special Town Meeting for approval (MGL c.44 §33B).

Debt Management Policy

Debt, when well-managed, is an effective way to finance capital improvements or to cover short-term cash flow issues. For certain capital projects with a long useful life, debt financing is an equitable financing strategy that allows current and future beneficiaries to share in the cost of that improvement. Prudent and disciplined borrowing can free-up funds to support services and provide as means to maintain and enhance town assets that contribute to the quality of life in Conway.

The issuance of debt is highly regulated by state law, which also assigns responsibility for borrowing decisions and for managing the Town's debt schedule to the Town Treasurer. In addition, the Town may only borrow with Town Meeting authorization and on approval of the Board of Selectmen.

The level of debt incurred by a town is a local decision and reflects the Town's commitment to capital investment. That commitment is measured by a Debt Ratio, that is, General Fund debt service (including debt funded from debt exclusions) as a percent of General Fund revenues.

A Debt Ratio that is too low suggests that the town is not keeping up with its capital needs. A reasonable debt ratio helps the Town's credit rating. In the absence of a major project, though, a high ratio (above 10 percent) may be viewed as diverting too much resources to capital.

Therefore, to ensure sound debt management decisions, it is the Town policy that:

The Town will comply with the provisions of MGL Chapter 44 §§ 7 & 8 which set-out the purposes for which municipalities can borrow and the time periods for which borrowings can occur and with Chapter 44 §10, which establishes a limit on how much the Town can borrow.

The payback period for any borrowing shall not exceed the expected useful life of the capital asset being financed.

And, as control mechanisms:

- The Town will strive to maintain a Debt Ratio above three (3) percent, but in no instance above 10 percent.
- The Town will strive to hold the average maturity on all bond authorizations and issuances to ten years or less.
- The Town will make efforts to adopt debt service payment schedules where fifty (50) of principal in each issuance is paid-off half-way through the term of the bond.

Investment Policy

Massachusetts General Laws require each Town, acting through its treasurer, to invest all public funds, with the exception of funds needed to meet cash flow demands. Statutes set out for treasurers, as well, investment rules and guidelines for various town funds.

It is the intent of the Town of Conway and its Town Treasurer to comply with all the investment requirements and guidelines in state law and regulations. Therefore, it is the policy of the Town:

- To pursue investment objectives that

Protect the safety of investment principal and preservation of capital through the mitigation of credit risk and interest rate risk;

Ensure portfolio liquidity in order that sufficient funds are available to meet all operating requirements that may be reasonably anticipated, but not at the risk of forfeiture of accrued interest earnings or loss of principal; and

Achieve a fair market average rate of return.

- To negotiate the optimum balance between collateral protection and yield level through legal investment vehicles that include in unlimited amounts: the Massachusetts Municipal Depository Trust (MMDT); U. S. Treasury Bonds; U. S. Agency obligations; fully collateralized bank accounts of certificates of deposit; in F.D.I.C. protected bank accounts of certificates of deposit up to \$250,000; and in unsecured bank deposits subject to strict asset limitations.
- To manage short term investment decisions in accordance with the requirements of MGL c.44 §55;
- To build diversification into the Town's portfolio a) in terms of maturity and b) in terms of instrument type and issuer, with the exception of U. S. Treasury obligations and agencies, state pools and investments fully collateralized.
- To set performance expectations that the Treasurer, and any assistant Treasurer, act in strict adherence with the state conflict of interest law under MGL c.268A.
- To make overall investment decisions in accordance with "prudent person" standards under MGL c. 203C or as otherwise allowed by state law.

Capital Improvement Program Policy

The tangible (capital) assets of the Town, in the form of public buildings, facilities and infrastructure, rolling stock and machinery, and equipment including technology are central to efficient operations and the services provided to residents. When well-preserved, they add to the quality of life in the Town. Consequently, a program that maintains the condition and functionality of these assets; enhances their value and lifespan; and that advocates new investment as need arises is an important, ongoing responsibility of town government.

Therefore, the Town commits through these policy statements a capital improvement program that:

- Assigns responsibility for reviewing of all capital expenditure requests during the next fiscal year and for making recommendations to the annual and any special Town Meeting;
- Defines a capital improvement as a tangible asset or project with an estimated useful life of five (5) years or more, and a cost of \$5,000 or more;
- Outlines a timetable and process for receiving capital requests from town departments, boards, committees and commissions;
- Develops criteria, objective and otherwise, for evaluating long-term capital needs.
- Explores all potential funding sources including impacts on future property taxes and annual operating budgets;
- Uses short and long-term debt only in conformance with the Town's debt management policy;
- Assigns responsibility to develop and update a long range Capital Improvement Plan (CIP). which shall identify proposed purchases, acquisitions and projects; the anticipated year of expenditure; an estimated cost; and a potential funding source.

Audit Policy

The purpose of this policy is to underscore the Town's commitment to the completion of periodic independent audits, and in doing so, to strengthen public confidence that:

- the Town's year-end financial statements are reliable, accurate, and complete;
- internal financial controls are in place and executed to protect community assets;
- departmental procedures are sound;
- credit rating agencies have evidence that the Town's financial condition is healthy
- the Town has a management tool for measuring performance.

Therefore, it is the policy of the Town, that

- an audit of the Town's year-end financial statements shall occur regularly;
- the principal person engaged to complete the audit is a Certified Public Accountant with Massachusetts municipal audit experience;
- when securing a new audit contract, the Town will make an effort to circulate a request for proposals or will solicit requests from multiple, selected audit firms or individuals.
- the Town will put forward its best efforts to address, with corrective action, comments and issues presented in the auditor's management letter.

Other Post Employment Benefits Policy

Other Post Employment Benefits (OPEB) refer to non-pension benefits that town employees earn while actively working, but do not receive until they retire. The largest OPEB cost is for health insurance, but coverage for dental, vision, prescription drugs, etc. can be included as well. In 2004, the Governmental Accounting Standards Board (GASB Statements 43 & 45) directed that towns identify and account for these liabilities. More recently, whether a Town has a policy for addressing OPEB has become a concern of auditors and bond rating agencies.

Therefore, in order to avoid any potential detrimental impact OPEB costs might have on the Town's annual operating budget; to help ensure positive audit results; and to protect the Town's bond rating, it is the policy of the Town to:

- Continue to maintain the Town's OPEB liability trust fund created in accordance MGL, Chapter 32B, §20.
- Arrange for the completion of an OPEB actuarial analysis every three years as required by GASB Statements 43 & 45.
- To make efforts to appropriate an amount each year into the OPEB liability trust fund.
- To work toward the development of contribution schedule that projects full OPEB funding.

Departmental Receipts

All revenues received for the Town of Conway by any department, board or committee must be accurately accounted for and then turned over to the Town Treasurer in accordance with the town's turnover procedures.

Receipts include, but are not limited to, taxes, excises, fees, penalty charges, grants and gifts, whether received in the form of cash, coin, check or other draft, wire or other electronic funds transfer.

Turnover to Treasurer

State law (MGL Chapter 41, §35 and 60, §2) requires the treasurer to receive and take charge of all money belonging to the town. Therefore, ALL receipts must be deposited weekly with the Town Treasurer in person, with the exception of school lunch deposits which are deposited by a school designee. All receipts belong to the general fund of the Town unless there is a law that specifies otherwise (MGL Chapter 44, Section 5)

Original deposit receipts are to be given to the Treasurer along with a "Schedule of Departmental Payments to Treasurer" form. A copy of the "Schedule of Departmental Payments to Treasurer" form must be given to the Town Accountant, as well. After verification, two copies will be signed by the Treasurer and returned to the department, to be kept on file, and the other given to the Town Accountant. It is proof that the funds were received and credited to the proper revenue account.

All Departments that collect fees for services must turn over the entire fee to the Town Treasurer. Compensation to town employees will be made in the next payroll, i.e. Fire Inspection Fees, Board of Health Permits and Dog Licenses. All Departmental purchases, regardless of payment method, must be approved through a Vendor or Payroll Warrant process. Under no circumstances may a department pay an expenditure with over-the-counter fees it collects.

Departmental record

A Detail of Receipts must be maintained by each department receiving payments.

Departments shall insure that the documentation from the receipt process allows for proper final accounting of the revenues, i.e., the amounts and accounts to be credited.

Exceptions

Certain miscellaneous receipts such as school lunch fees, photocopy fees and trash sticker fees do not have to be broken down by individual.

Deposits

All monies must be deposited at least once a week.

Revenue Report

The Town Accountant will provide a revenue report on a quarterly basis. You should check the report to make sure that monies have been credited into the proper revenue account for your department.

SURETY

All department staff receiving or otherwise permitted to handle funds on behalf of the town must be covered by a surety bond. Accordingly, department heads must submit to the Treasurer the names of all such staff

SECURITY

All collections in the possession of a Department must be held in a location that is secure from potential fire and theft. At the very least, funds in excess of \$100 must be secured overnight in the vault; funds less than \$100 must be secured overnight in a locked space.

Petty cash

Petty Cash may be assigned to a department or a town employee only if so authorized by the Town Treasurer. In addition, the following Petty Cash policies shall apply:

- The balance in a Petty Cash fund may not at any time exceed \$150.00 per person or per department;
- Petty Cash is for official town business only, specifically, for making over-the-counter change or for reimbursements of amounts under \$25 for a lawful departmental purchase by an employee.
- Petty Cash shall not use for an employee's personal use of benefit, even if the intent is to reimburse the fund. There shall be no cashing of personal, third party or payroll checks from petty cash .
- Petty Cash must be kept in a secure place, i.e., a safe, a locked file cabinet or locked desk drawer.
- Petty Cash shall be available for audit at any time by the Accounting Department or auditors.
- Petty Cash balances shall be restored to originally issued amounts and certified to the Treasurer before June 30th of each year.
- All disbursements from Petty Cash be documented by an original hard copy receipt, or in the case of making over-the-counter change, a signed note.
- The Treasurer may replenish the Petty Cash fund, without separate appropriation, when presented with original receipts and signed notes by the department head evidencing full, or near full, expenditure of the prior balance. Petty Cash may not be replenished using over-the-counter or other town receipts departments collect.

Departmental Expenditures

On July 1 each year, following approval of the Town's annual budget, departments and boards, committees and commissions that oversee departments and who receive an appropriation are permitted to begin spending funds for lawful purposes.

State law (Chapter 41, §56) all disbursements of Town funds must be reviewed by the Town Accountant and approved by a majority of the Board of Selectmen. Further, state law requires that payroll and vendor payments may only be made after services are rendered to and goods are received by the Town.

State law, approved as Chapter 218 of the Acts of 2016, allows any multi-member board, committee, and commission heading a department, including select boards, to designate one of its members to review and approve bills or payment for vendor and payroll warrants, with a report provided at the next meeting.

Accordingly, it is the policy of the Town:

- Vender and Payroll warrants shall be processed and payments shall be disbursed every two weeks in accordance with a schedule established by the Accountant prior to the start of the fiscal year.
- Vendor payments for goods or services shall be processed on submission of an original invoice addressed to the Town and signed by the department head. Electronic invoices received from vendors may be submitted only if acceptable to the Town Accountant and in accordance with guidelines she establishes.
- No department, board, committee or commission with spending authority shall knowingly create a deficit by making a purchase or create town liability in excess of funds available in the department account to be charged.

User Fee Policy

User fees are a local receipt that reflect departmental charges and voluntary payments by residents and others for permits, licenses, program participation and other services provided to them by the Town. In regard to User Fees, it is the Town policy that:

- As the chief executive officers of the Town, the Board of Selectmen shall review and approve all fees.
- Town fees will be periodically reviewed by the Board of Selectmen or by the elected board, committee and commission that oversees a department or program, which shall recommend any adjustment to the Board of Selectmen.
- Individual fees shall be set so that total anticipated annual receipts reasonably cover the estimated yearly Town cost to provide or administrator the program or service.
- All fees collected by departments, officers, boards, committees and commissions must be turned-over to the Treasurer in accordance with the Town's Turnover procedures.

Purchasing Policy

(As of December 2016)

It is the responsibility of all department heads and all others with spending authority to understand procurement rules under MGL Chapter 30B as they apply to municipalities. In general, Chapter 30B establishes the following rules for routine departmental purchases of goods and services (not associated with a construction project):

- Under \$10,000 - “sound business practices”¹ should be used with the award going to vendor offering the best price.
- Between \$10,000 and \$50,000 – Request three written quotations from at least three vendors who customarily provide the supply or service based on a written purchase description that the jurisdiction provides to each vendor. Procurement officers must keep a record of the names and addresses of all persons from whom quotations were sought, the written purchase description, the name of each person submitting a quotation, and the date and amount of each quotation. The award goes to a responsive² and responsible³ vendor offering the best price.

A written contract is required⁴. It must be signed by the vendor and Town representative authorized to sign contracts. The original of all contracts must be submitted to the Accounting Department. Departments must retain a copy.

- Over \$50,000 – purchases must be competitively bid or solicited through a Request for Proposals (RFP), unless the goods and services are (1) exempt from bidding under MGL Chapter 30B, (2) found on the State Procurement list, or (3) evidence of a sole source is documented.

Before initiating a bid or RFP process, the department head with spending authority must consult with the Town’s Chief Procurement Officer (CPO).

The State Office of the Inspector General enforces Chapter 30B and provides guidance on its website at www.mass.gov/ig.

¹ Sound business practice is “ensuring the receipt of favorable prices by periodically soliciting price lists of quotes.” MGL c.30B §2.

² A responsible bidder or offeror is “a person who has the capability to perform fully the contract requirements, and the integrity and reliability which assures good faith performance” MGL c.30B §2.

³ A responsive bidder or offeror is “a person who has submitted a bid or proposal which conforms in all respects to the invitation for bids or request for proposals.” MGL c.30B §2.

⁴ “All contracts in the amount of \$10,000 or more shall be in writing, and the governmental body shall make no payment for a supply or service rendered prior to the execution of such contract.” MGL c.30B §17(a).

Employee Guidelines

Employee Guidelines

Employee Reimbursements

As a matter of policy, out-of-pocket payments by employees are discouraged. To avoid reimbursement situations, department heads and employees shall utilize established accounts with vendors for routine purchases. However, recognizing that there are situations when out-of-pocket payments are necessary or unavoidable to meet a public need or departmental purpose, employee reimbursements are allowed.

It is further recognized that the town is served well when its employees attend relevant seminars and conferences in their respective areas of expertise. In these circumstances, employees are eligible for reimbursement for certain out-of-pocket costs.

For Departmental Expenditures:

When an employee purchases a product needed by the town and it is impractical or the vendor will not invoice the town, reimbursement of the cost is allowed in accordance with the following:

- The employee must have prior approval of the Department Head to make the purchase. This shall serve as acknowledgement that there is an appropriate line-item account to be charged and there are sufficient funds to cover the cost.
- The employee must submit the original receipt for reimbursement on an invoice coversheet.
- No sales tax will be reimbursed as the town is tax exempt. The employee is expected to possess the required tax exempt certificates to avoid having to bear the sales tax expense personally.
- The Town will not, under any circumstances, reimbursement employees for out-of-pocket payments for services rendered.

For Employee Travel Expenses

When employees travel to events, seminars or conferences, they may receive reimbursement for mileage and out-of-pocket expenses, only if the travel is approved in advance by the department head, or by the Board, Committee or Commission that oversees the department.

- The town will reimburse employees for meals that occur while traveling on town business. Reimbursement will be made for town employee food only and will not include reimbursement for any alcohol or tobacco products. Original receipts are required for reimbursement. Maximum reimbursement will be \$50 per day.

- If overnight stay is pre-approved, employees may receive reimbursement for reasonable hotel accommodations.
- In the event that a spouse or significant other accompanies the employee, their expenses will be paid for by the employee with no town reimbursement.

Mileage

The town will reimburse employees for miles that they travel in their personal vehicles while performing town business or attending an event, seminar or conference.

- The Board of Selectmen has determined that the reimbursement rate will be the IRS allowance (updated annually).
- To receive reimbursement for mileage, employees must submit a mileage reimbursement form signed by the department head. Town Treasurer will provide the appropriate form.
- Tolls will be reimbursed when evidenced by a receipt.

Use of Town Owned Vehicles

Town owned vehicles are not to be used for personal use. Vehicles used for public safety purposes may be driven home to be available for use if called for emergency, however, they may not be used for errands and other personal reasons

Accountant

General Ledger

The Town shall maintain a general ledger consisting of various funds and account groups in accordance with the Commonwealth of Massachusetts Revised Uniform Municipal Accounting Systems (UMAS).

Each fund shall consist of a balance sheet with a Due To/From Account, Fund Balance Account, a revenue account and an expenditure account.

Chart of Accounts

A chart of accounts shall be maintained by the Accounting office for all balance sheet, revenue and expenditure accounts. Such chart of accounts shall be in accordance with the UMAS structure and such budgetary needs as determined by the various boards and department of the Town.

Journal Entries

Journal entries shall be posted into the general ledger by the Accounting department for the following types of transactions:

- Commitments for various receivable accounts.
- Abatements to various receivable accounts.
- Receipts to various revenue accounts.
- Transfers to tax lien and tax title accounts.
- Transfers and transactions between funds.
- Re-allocations of expenditures between accounts.
- Entry of annual budget, budget transfers, supplemental appropriations.
- Transfer from deferred revenue and revenue accounts.
- To establish fund balance reserves, encumbrances and other designation.
- Error corrections subsequent to posting.
- Year-end closing and audit entries.

Each journal entry shall be numbered, dated and contain a narrative description of the purpose of the entry. The supporting documentation shall contain reference to the journal entry. All journal entries will be posted by the town accountant. Copies of such entries shall be maintained in a journal for future reference.

General ledger reconciliation

All cash accounts will be reconciled on a monthly basis by the 10th of the following month.

All receivable accounts will be reconciled to the Collector's office on a quarterly basis.

Deferred revenue accounts for all funds shall be reconciled to the receivable accounts on a monthly basis.

Payable and payroll withholding accounts will be checked periodically, not less than semi-annually to determine that the balances are clearing properly.

Budget accounts for revenue and expenditures will be reviewed monthly to identify any unusual activity or predict potential budget shortages. Any such potential shortages will be reported to the Board of Selectmen through the Town Administrator.

Balances in special revenue accounts will be reconciled to data maintained in other departments, where applicable, not less than quarterly.

Appropriation balances will be reconciled to the tax recap and Town Meeting minutes.

All accounts shall be reviewed analytically from time to time for reasonableness and to identify unusual activity.

The Accounting staff shall have sole access to update or modify the general ledger.

The Accounting office will distribute expenditure reports to the various departments and boards on a monthly basis. In addition, reports will be distributed to the Selectmen through the Town Administrator on a monthly basis.

The monthly reports will be on a line item basis with detail provided upon request. In case of error, a request shall be submitted to the Accounting office for correction. The Town Accountant will make changes only through journal entry listing the reference and reason for making the entry.

☐ No changes to a payment will be made after the warrant is printed except by an approved journal entry. The Town Accountant will approve all journal entries.

Billings

The town generates bills for various revenue sources. The bills are posted to and maintained on receivable systems as part of the Town's computer system. The types of bills maintained on the computer system include:

- Personal Property
- Real Estate
- Motor Vehicle

There are other services that may be billed manually but are not maintained on the Town's receivable system. These include various departmental receivables such as payments in lieu of taxes, retiree insurance premiums and rental fees.

Real Estate and Personal Property Taxes

Real and personal property tax bills are based on valuation data created in the Assessor's office. The valuation data is transferred to the receivables system by data processing. The receivables system generates the tax bills. A commitment is prepared based on the tax bills printed by data processing.

The Collector's office should prove the total of the bills to the commitment prior to mailing. This can be accomplished by comparing the total amounts from the billing summary to the commitment report.

The following semi-annual dates shall be recommended for the generation and mailing of real estate and personal property tax bills:

- 1st Half bills shall be mailed by October 1.
- 2nd Half bills shall be mailed by April 1.

Semi-Annual tax bills shall be due and considered delinquent on the following dates:

- 1st Half on November 1.
- 2nd Half on May 1.

Interest at the rate of 14% from the date of issue will be charged on all real estate and personal property bills paid after the delinquency date. Demand notices shall be mailed on any unpaid bills after May 1st and shall be mailed by May 15th. The demand notice shall include accumulated interest, a \$20 demand fee and such other costs and fees as allowable under statutes.

Every effort will be made to collect unpaid demand bills

The Collector shall transfer subsequent tax title balances to the Town Treasurer by June 30th of each fiscal year.

The Collector shall mail the Notice of Advertising letters and publish the unpaid parcel list (with final payment deadline) so tax title accounts may be transferred to the Town Treasurer by January 1st. Tax title liens shall consist of the original tax, demand fees, accumulated interest and other costs allowable by statute.

Tax Title

The Treasurer's office shall maintain a receivables listing of tax titles by year of taking and shall maintain control accounts summarizing monthly transactions to the tax title accounts. The detailed balances of the listing shall be compared to the control accounts at least quarterly.

Motor Vehicle Excise

Motor Vehicle Excise bills are created from magnetic tapes provided by the Commonwealth of Massachusetts. The 1st billing of the fiscal year shall be mailed no later than April 15th. Subsequent billings are made throughout the year based on data provided by the Commonwealth. Bills shall be mailed within 45 days of receipt of the data from the Commonwealth.

Demand notices will be mailed within 30 days after the due date of the excise bill and shall include a \$20 demand fee. Interest accrues at the rate of 12% after the due date.

During the next 90 day period, the Town shall make every effort to collect past due accounts including issuing warrant notices and service warrants, and marking remaining unpaid accounts at the Registry of Motor Vehicles. The Town may engage an outside Deputy Collector for this process where beneficial.

Tax Receipts and Collection

Receipts are brought into the Treasurer and Collector's office through various means.

- Through the mail
- Over the counter
- Lock box at banks
- Departmental turnovers
- Electronic transfers directly to bank accounts

Receipts that are subject to interest, demand and other costs shall be applied based on the following priority basis:

1. Interest, costs and demand fees.
2. Utility liens and tax titles.
3. Real estate or personal property tax balance.

Mail Receipts

The clerk opening the mail shall first compare the amount transmitted to the accompanying documentation to verify if the amounts agree. Any differences should be noted at that time.

Receipts are entered into the system manually. The postmark is noted as the date of receipt. Checks and cash are run on tape to total. Total on tape is compared to batch total on computer before closing packet for turnover to the Treasurer and making deposit at bank.

Lock Box Receipts

The Treasurer and Collector's offices receive information from the banks related to the lock box activity which includes a listing of the accounts posted and the amounts deposited.

The Collector's office will edit this information and post any activity weekly.

Periodically, and not less than annually, the Collector's office will print a detailed receivable list of all prior year receivable accounts by levy year for taxes and excises and in total for current year taxes. One of these lists shall be printed at June 30, the close of the fiscal year.

A list of credit balances shall be printed monthly, by levy year for all receivable accounts for property and excise taxes which are not maintained by levy year. All such credit balances shall be resolved by adjustment, correction or refund each month, or identified as prepaid amounts for the current year.

The Collector's office shall compare the detailed list to the control account balances. The summary report activity shall be compared to the control account activity and differences noted.

Once the differences are identified, a detail of transactions for that period will be printed from the same receivables data base. The receivable detail will be compared to the detail of the control account activity for the same periods and specific transactions will be identified and resolved.

Security

The Treasurer and Collector's offices shall be secure to public access at all times. File cabinets shall be locked with entry permitted to authorized staff.

Confidential records and overnight money storage shall be maintained in a locked storage area.

Treasurer

Bank Accounts

All Town money will be deposited and maintained by accounts in the custody of the Treasurer. The bank accounts will be established in banks that meet the highest standards .

Town money may be invested to provide the maximum investment rate using the guidelines and criteria established by state statute.

Certain cash balances are required to retain their own interest in accordance with state statutes or grant agreements. This is a requirement even if the funds are pooled with other money to maximize investment earnings. The Treasurer's office will keep track of such earnings and credit the proper accounts as necessary. In the absence of specific requirements, all investment earnings are credited to the town.

Warrant Processing

Warrants are submitted by the Accounting department to the Treasurer's office.

The system produces a check register for each warrant. The register shall be compared to the warrant to determine that all payments have been accurately processed.

The signature plate shall be retained in a locked and secure location. Access to the signature place shall be given only to authorized individuals in the Treasurer's office.

One copy of the check register will be retained in a file for future reference. One copy will be retained in the Accounting office.

Payroll Processing

Payroll is maintained by the Treasurer's office. The system maintains a data base of employee information used to create the payroll. The data base consists of such items as pay rates, marital and deduction status, eligible employment benefit deductions and sick and vacation time eligibility. Entries into the data base shall be made by Treasurer office personnel only, based on written information.

Payroll information is submitted by each department bi-weekly. Payroll forms submitted should include the hours worked, vacation, sick or other benefitted time, and be signed by the employee and the Department Head.

A summary of accounts is provided to the accountant for preparation of the Payroll Warrant

The Payroll Warrant is signed by the Board of Selectmen and checks are distributed on the pay date.

Voided & Manual Checks and Checks Returned for Insufficient Funds

Checks may be voided from time to time due to various reasons. Checks with clerical errors may be replaced without further approval provided they have already gone through the warrant process; however the amount or Vendor name may not be changed.

Checks that are voided and not replaced shall be added back to the cash book as if they were receipts from outside sources. The account charged for the original check shall be credited for the amount of the voided check. If a check is voided related to a prior year, the amount will be taken in as miscellaneous receipt.

A log will be kept of voided checks listing the date and check number. The voided checks will be retained where possible.

Manual checks will be written from time to time where loading and running computer checks is not practical. Manual checks will be subject to the same approval process as are computer generated checks.

When checks are returned for insufficient funds, the Treasurer will re-deposit the checks to see if they will clear. If they do clear, the payer will be contacted to reimburse any returned check charges incurred by the town. In the event the check is returned a second time, the Treasurer will notify the depositing department that the check has been returned and shall notify the Town Accountant, and the check will be treated as a negative receipt on the Treasurer's books. There will be a \$25 fee for any check that is returned.

Cash Reconciliations

The Treasurer will maintain a cash book which lists the activity for each bank account. Activity includes receipts, warrants and transfers between accounts.

The receipts will be entered from the log which ties out to the transaction edits discussed earlier. Warrants shall be entered from the warrant signature sheets. Transfers between accounts must always be in balance and reflect both the accounts transferred to and from.

Each account will be individually reconciled to the bank balance on a monthly basis. Such reconciliation will be completed by the 10th of each month.

The Treasurer will also reconcile cash with the Accountant's office. A schedule will be prepared which lists the balance at the beginning of the month in total, the receipts, the warrants and the balance at the end of the month, in total. The reconciliation will be complete by the 10th of the following month.

Receivable Reconciliations

The collector's office will maintain control accounts by levy year for all receivable accounts maintained on the Town's computer system. The control accounts will consist of the following items:

- Balance at the beginning of the month
- Commitments
- Receipts
- Abatements
- Refunds
- Adjustments
- Balance at the end of the month

The control account activity for all receivable accounts will be submitted to the Accounting office on a quarterly basis.

Any differences in the receivable balances will be investigated and a copy of the receivable reconciliations will be reported to the Selectmen through the Town Administrator.

TRUST FUND MAINTENANCE

Detailed revenue and expense reports for Trust Funds will be generated quarterly after cash reconciliation and given to the Treasurer to facilitate transfers necessary to update Trust Fund bank account balances.

YEAR END ENCUMBRANCES

At the end of the fiscal year, which is June 30, there may be funds in certain accounts that are committed to a specific purchase, either by agreement or contract. Under these circumstances, the funds may be encumbered. In order to encumber funds, encumbrance forms (see attached) must be submitted to the accounting department by July 15.

Funds may also be encumbered if they are the result of a Town Meeting warrant article for a specific purpose, usually a capital purchase or project.

TREASURER'S INVESTMENT POLICY

All funds must be maintained and invested by the Treasurer according to MGL 44:54-55A & B; 29:38A.

Matured Investment. Whenever an investment, such as a certificate of deposit or a Treasury bill, matures, the treasurer must record it as a cash receipt. The treasurer should record the name of the bank in which the money was held, the type of investment that matured, its date of maturity, and the amount of the matured investment. It is insufficient for the treasurer to simply advise the bank to roll the investment over without performing a cash entry; doing so would result in an imbalance in the accountant or auditor's ledger.

Interest. Upon receiving notice of interest earned on various investments throughout the year, the treasurer should record this interest earning as a cash receipt in the cash book, noting the type of investment yielding the interest and the name of the bank holding the investment.

Fraudulent Financial Activities

Adopted 5/4/2015 by the Board of Selectmen

Policy Statement & Principles

This policy is established to protect the assets and interests of the Town of Conway, to increase overall fraud awareness, and to ensure a coordinated approach toward resolution of financial fraud.

The Town must identify and promptly investigate all instances and allegations of fraudulent activities regarding Town funds, documents, and equipment involving, staff, volunteers, elected officials, vendors, agencies or other parties. Good business practice dictates that suspected defalcation, misappropriation or other fiscal irregularities be promptly identified and investigated. We believe that it is everyone's responsibility to report any possible fraudulent activity.

All persons found to have committed fraud relevant to Town financial affairs shall be subject to punitive action by the Town and investigation by law enforcement agencies when warranted.

Fraud in any form will not be tolerated. This policy applies to all Town employees and affiliates and will be enforced without regard to past performance, position held or length of service.

Scope & Definition of Fraud

Fraud generally involves a willful or deliberate act with the intention of obtaining an unauthorized benefit, such as money or property, by deception or other unethical means. All fraudulent acts are included under this policy and include such things as:

- Embezzlement, misappropriation or other financial irregularities
- Forgery or alteration of documents (checks, time sheets, contractor agreements, purchase orders, other financial documents, electronic files)
- Improprieties in the handling or reporting of money or financial transactions
- Misappropriation of funds, securities, supplies, inventory, or any other asset (including furniture, fixtures and equipment)
- Authorizing or receiving payment for goods not received or services not performed
- Authorizing or receiving payments for hours not worked

General Protocol – Reporting Procedure

Anyone who believes fraud has occurred should report such incident. Employees are protected under Massachusetts General Law, Chapter 149, section 185, from retaliatory actions by the employer. 21

Use the channel of communication with which you are most comfortable. Accordingly, you may report your concerns to your immediate Supervisor, Department Head, Committee/Board Chair, Town Administrator, Board of Selectmen Member or Police Department.

Immediate Supervisors, Committee/Board Chairs and Department heads must report all apparent cases of fraud brought to their attention to the Town Administrator. In the case the fraudulent activity involves the Town Administrator; the individual should report the incident to the Board of Selectmen.

Responsibilities

All levels of management are responsible for establishing and maintaining proper internal controls that provide security and accountability for the resources entrusted to them. Managers should be familiar with the risks and exposures inherent in their areas of responsibility and be alert for any indications of improper activities, misappropriation, or dishonest activity.

Responsibilities of management and non-managerial staff for handling fraudulent activities include the following:

- Insure that notification promptly reaches the Town Administrator, and if, appropriate the Police Department. Refer to "General Protocol – Reporting Procedure".
- If the situation warrants immediate action – for example, obvious theft has taken place, security is at risk, or immediate recovery is possible – management and non-managerial staff receiving reports should immediately contact the police department.
- Do not contact the suspected individual to determine facts or demand restitution. Under no circumstances should there be any reference to "what you did", "the crime", "the fraud", "the forgery", "the misappropriation", etc.

Managers should consult with the Town Administrator to determine if any immediate personnel actions are necessary.

- Do not discuss the case, facts, suspicions, or allegations with anyone, unless specifically directed to do so by the Town Administrator, Board of Selectmen or Police.
- Direct all inquiries from any suspected individual, his or her representative, or his or her attorney to the Town Administrator. Direct all inquiries from the media to the Town Administrator.

Great care must be taken in the dealing with suspected fraudulent activities to avoid any incorrect accusations, alerting suspected individuals that an investigation is under way, violating any person's

right to due process, or making statements that could lead to claims of false accusation or other civil rights violations.

The Town Administrator may coordinate investigation of any suspected dishonest or fraudulent activity, which, in its opinion, may represent risk of significant loss of assets or reputation to the Town. The Town Administrator may work with internal or external departments, such as the Town Counsel, Town Auditors and the Department of Revenue, as circumstances may require. 22

The Town Administrator is available and receptive to receiving relevant information on a confidential basis and may be contacted directly whenever a fraudulent activity is suspected.

Town management will support administrative responsibilities and will cooperate with the Auditors and law enforcement agencies in the detection, reporting, and investigation of fraudulent acts, including prosecution of offenders. The administration and auditor has full unrestricted access to all records and personnel of the Town. Every effort should be made to effect recovery of Town losses from responsible parties or through Town insurance coverage.

The Town Administrator will review the results of any investigations with responsible management and administrators as necessary, making recommendations for improvement to the systems of internal control.

Non-Fraud Irregularities

Identification or allegations of acts outside the scope of this policy, such as personal improprieties or irregularities, whether moral, ethical, or behavioral, safety or work environment related, or complaints of discrimination or sexual harassment, should be resolved by the respective area management in conjunction with Administration. Examples include employee misconduct, sexual harassment, and the MGL Chapter 268A conflict of interest law (this list is not all-inclusive).

Town Counsel may be contacted if guidance is needed to determine if an action might constitute fraud as defined in this policy.

Credit Cards

Adopted by the Board of Selectmen 01/25/2016

Limited credit cards may be issued with the following stipulations at the discretion of the Treasurer.

Employee must sign a declared responsibility contract including the following information:

Employee must be a department head or designee and employed, elected or appointed for at least 6 months.

Credit card limit will be \$2,000 for department heads and \$5,000 for the treasurer, or the amount available in your account, whichever is less.

Employee must have a repetitive need for materials or services more than \$50.

Employee must have a repetitive need for materials not available on current vendor accounts.

Use of the credit card is strictly for Town purchases only. Under no circumstances may personal expenses be charged regardless of reimbursement.

Employee must be certain that appropriate funds are available in their assigned GL accounts and that the MGL procurement act (Chapter 30B) is followed.

Any charges not approved by the Board of Selectmen when submitted by warrant are the responsibility of the Employee.

Any expenditures or charge overages not approved by the Board of Selectmen when submitted by warrant, are the sole and personal responsibility of the Employee. Failure to cover these expenses will result in legal action. Payment for unapproved items will be made to the credit vendor (via a check) and given to the Treasurer to be mailed with the timely invoice payment.

All Town expenses are tax exempt. Employee must present a copy of the Town's exemption form at the time of purchase. Any inadvertent tax charges must be paid personally by the responsible Employee. Such payments will be made payable to the vendor (via check) and given to the Treasurer to be mailed with the timely bill payment.

The Employee must notify the Treasurer immediately and return the card when separated from service.

Any charges made by the Employee after the separation date will be the responsibility of the individual.

The Employee may not allow any other individual to use their card for any reason.

Any abuse or negligence on the Employee's part will result in immediate notification and termination of the credit card.

Original receipts must be submitted to the Treasurer within 7 days of purchase. Employee must assign an account number and sign the receipt.

The treasurer will submit the invoice for timely payment using the declared GL account and notify the user of the payment.

Roles and Responsibilities

Roles/Responsibilities

Selectboard

Members of a Selectboard are the chief executive officers of the Town. Among statutory powers, the Selectboard sets policy, and through its decisions gives overall guidance to the direction of town government. Even when policies and fees originate in town departments, they should be recommended to the Selectboard for approval. Selectboard review and sign-off is also typically part of the annual budget process and after the start of the fiscal year on July 1, the Board approves the disbursement of town funds through vendor and payroll warrants. Additionally, the town can only borrow funds with Selectboard approval.

Finance Committee

Virtually all Massachusetts towns are required by state law ([MGL Chapter 39 §16](#)) to form a Finance Committee, which has a statutory charge is to “consider any or all municipal questions for the purpose of making reports or recommendations to the town (i.e., town meeting).” With the adoption of bylaws, the town can provide that committee members are elected or assign an appointing authority. Bylaws can also refine or enhance the role of the Finance Committee. The Finance Committee also controls a town reserve fund ([Chapter 40 § 6](#)) to provide only for “extraordinary or unforeseen expenditures” and with the Selectboard shares authority to make certain budget line-item transfer between May 1 and July 15 of each year.

Capital Improvement Committee

Generally, a capital improvement committee (CIC) reviews, evaluates and prioritizes all capital expenditure requests and makes a report of its spending recommendations in accordance with town formally adopted policies or bylaws. Policies or bylaws also assign appointing authority for a CIC, and define its size and member composition. Other provisions might define a capital expenditure, address a capital budget process and evaluation criteria, and direct to whom the CIC will submit its recommendations.

Town Administrator

Not all towns have a Town Administrator, but among those that do, budget development responsibilities are paramount. Typically, the Administrator will initiate the budget process by developing revenue projections, establishing a calendar and distributing guidelines to departments and others with spending authority, which may be over the signature of the Selectboard of Finance Committee. He receives and reviews appropriation requests and drafts a balanced town budget, which is presented to the Selectboard and Finance Committee in accordance with accepted town practice. During the course of the fiscal year, the Town Administrator monitors spending and makes recommendations to the Selectboard and Finance Committee when corrective action is warranted.

Town Meeting

It is a fundamental right and responsibility of Town Meeting to approve annual town spending. Recurring operating expenses are presented in the line-item budget, while other one-time or periodic spending requests are typically proposed in separate articles. The budget format, or level of budget detail, presented to Town Meeting is dictated by historical practice or decisions of the budget formulators. Property tax increases beyond the limits of Proposition 2½ through an Override, a Debt Exclusion or a Capital Exclusion requires Town Meeting approval. Only Town Meeting can authorize the incurrence of debt by 2/3s vote or the creation of a Stabilization Fund by 2/3s vote. Only Town Meeting can authorize, by majority vote, the establishment of an Enterprise Fund or a Revolving Fund. In every instance, Town Meeting must be provided with detail on any proposed expenditure it requests. With its approval of the annual budget, Town Meeting implicitly approves appropriation funding sources.

Accountant

The accountant has a legal obligation to oversee all financial activity of a municipality. Through the maintenance of independent records and by following well-defined procedures, the office documents the flow of money into and out of municipal accounts and plays a role in the system of checks and balances established by statutes and regulations to monitor and protect town assets. To fulfill this responsibility, the office prepares vendor and payroll warrants and in doing so verifies that funds are available to cover the cost, that the spending purpose is lawful and that no fraud is evident. The Accountant maintains a general ledger where receipts, expenditures and activity in various funds are recorded; regularly reconciles cash and debt with the Treasurer and receivables with the Collector; produces a monthly expenditure reports, periodic revenue reports and other reports as requested by the Selectboard, Finance Committee and Town Administrator.

Treasurer

The Treasurer's duties are strictly regulated by state law. She is the community's cash manager and, as such, has custody of all municipal money. Included is the responsibility to make certain that town receipts are deposited into appropriate bank accounts and monitor balances to ensure that sufficient funds are available to cover town obligations as they become due. To fulfill these responsibilities, the treasurer maintains a cashbook, debt schedule, check registers, and various logs to track balances for General Revenue, grants, trusts as well as other special revenue funds. As a financial control, the Treasurer is obligated to reconcile cash balances and debt schedules against activity and then with the Accountant's records on a regular basis. The Treasurer maintains tax title accounts, conducts sales of land and prepares documents to petition for foreclosure. Finally, as directly by state law, the Treasurer invests town funds and manages debt to ensure asset safety and liquidity to meet cash flow needs and to maximize investment income.

Collector

A municipality's Tax Collector possesses the authority to collect real and personal property taxes, excises, betterments and certain other charges added to and committed as taxes. Collections need to be accurately counted, posted to taxpayer accounts, and either turned-over to the Treasurer or deposited daily. Delinquent accounts need to be pursued and then moved efficiently into the Treasurer's tax title accounts. To be successful, a Collector must maintain an up-to-date receivable control that is regularly reconciled to internal records and then with the Accountant's General Ledger. She regularly produces credit reports and determines when refunds are legitimately due residents. In accordance with state law, the office responds to requests for municipal lien certificates. In most communities, the collector manages the contractual agreement with a Deputy Collector, who assists with delinquent motor vehicle accounts.

Assessors

The assessors' office is responsible for valuing all the town's real and personal property, assigning annual tax payments to owners, and generating the commitment authorizing the Collector to collect real estate tax and motor vehicle excise payments.

To ensure that residents are taxed equitably and accurately, the office maintains and updates property records with information received in response to mailings, from deeds and through on-site property. Upon resident application, assessors act on and track personal exemptions and tax abatements. They estimate new growth and conduct classification hearings. The Assessors set the tax rate, recommend the annual overlay reserve and provide levy information for use in the Tax Recap Sheet submitted to the State Division of Local Services (DLS). The office is also required by DLS to document an annual property value adjustment analysis and to prepare for State certification of property values every three years.

Department Heads

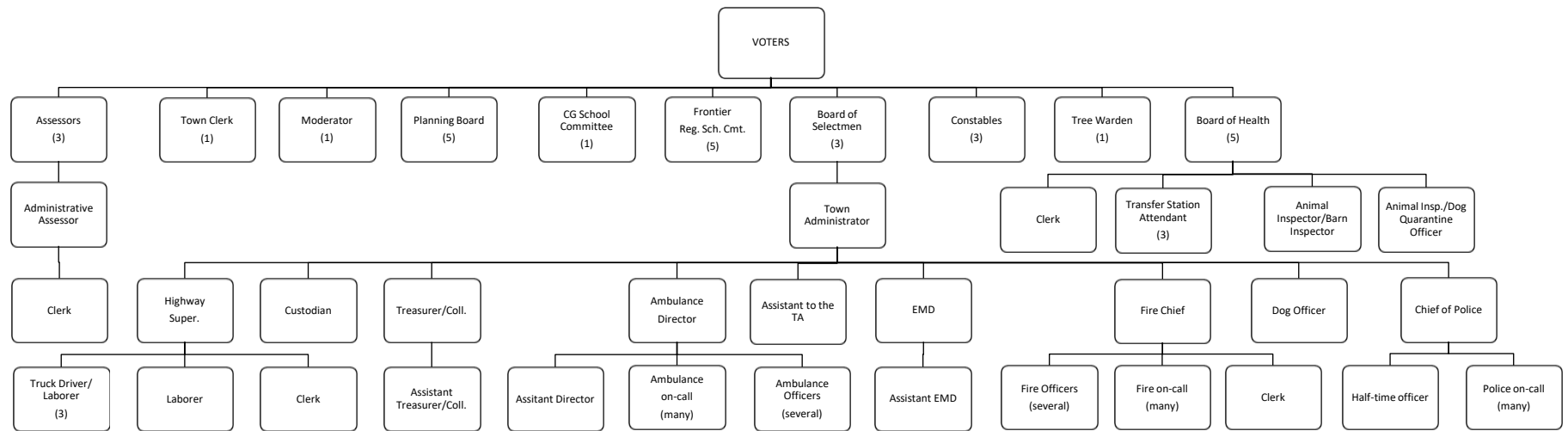
A department head may or may not have staff, may be elected or appointed, may be an individual or a board, committee and commission that oversee an municipal operation, service or program. All case, the department head must annually submit an appropriation request itemizing anticipated costs for salaries, wages and expenses needed to provide municipal services in the next fiscal year. Those with spending authority are expected to meet budget formulators, as requested, to justify their request. On July 1, departments are authorized to spend their appropriations, but only for the purposes defined by line-items or in separate articles approved by Town Meeting. When authorized, departments may also expend certain revenues without s Town Meeting appropriation approval. In any event, departments have a legal obligation to not overspend an appropriation.

Appendix

Appendix

Operating Appropriation Request Form

Capital Expenditure Request Form



Town of Conway Organizational Chart

Special Revenue Funds

Glossary of Finance Terms

(Source: State Division of Local Services at <http://www.mass.gov/dor/docs/dls/publ/misc/dlsmfgl.pdf>)

Audit Committee

A committee appointed by the selectmen, mayor, or city council, with specific responsibility to review a community's independent audit of financial statements and to address all issues relating to it as well as those outlined in the accompanying management letter.

Audit Management Letter

An independent auditor's written communication to government officials, separate from the community's audit. It generally identifies areas of deficiency, if any, and presents recommendations for improvements in accounting procedures, internal controls and other matters.

Audit Report

Prepared by an independent auditor, an audit report includes: (a) a statement of the scope of the audit; (b) explanatory comments as to application of auditing procedures; (c) findings and opinions; (d) financial statements and schedules; and (e) statistical tables, supplementary comments, and recommendations. It is almost always accompanied by a management letter.

Available Funds

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

Bond Anticipation Note (BAN)

Short-term debt instrument used to generate cash for initial project costs and with the expectation that the debt will be replaced later by permanent bonding. Typically issued for a term of less than one year, BANs may be re-issued for up to five years, provided principal repayment begins after two years (MGL Ch. 44 §17). Principal payments on school related BANs may be deferred up to seven years (increased in 2002 from five years) if the community has an approved project on the Massachusetts School Building Authority (MSBA) priority list. BANs are full faith and credit obligations.

Bond Authorization

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

Bond Rating

(Municipal) – A credit rating assigned to a municipality to help investors assess the future ability, legal obligation, and willingness of the municipality (bond issuer) to make timely debt service payments. Stated otherwise, a rating helps prospective investors determine the level of risk associated with a given fixed-income investment. Rating agencies, such as Moody's and Standard and Poor's, use rating systems, which designate a letter or a combination of letters and numerals where AAA is the highest rating and C1 is a very low rating.

Capital Assets

All tangible property used in the operation of government, which is not easily converted into cash, and has an initial useful life extending beyond a single financial reporting period. Capital assets include land and land improvements; infrastructure such as roads, bridges, water and sewer lines; easements;

buildings and building improvements; vehicles, machinery and equipment. Communities typically define capital assets in terms of a minimum useful life and a minimum initial cost. (See Fixed Asset)

Capital Budget

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

Capital Outlay Expenditure Exclusion

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

Capital Improvements Program

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

Debt Authorization

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

Debt Burden

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

Debt Exclusion

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

Debt Limit

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

Enterprise Fund

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

Equalized Valuations (EQV)

The determination of an estimate of the full and fair cash value (FFCV) of all property in the Commonwealth as of a certain taxable date. EQVs have historically been used as a variable in distributing some state aid accounts and for determining county assessments and other costs. The Commissioner of Revenue, in accordance with MGL Ch. 58 §10C, is charged with the responsibility of biannually determining an equalized valuation for each city and town in the Commonwealth.

Fixed Assets

Long-lived, tangible assets such as buildings, equipment and land obtained or controlled as a result of past transactions or circumstances.

Free Cash (Also Budgetary Fund Balance)

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

GASB 34

A major pronouncement of the Governmental Accounting Standards Board that establishes new criteria on the form and content of governmental financial statements. GASB 34 requires a report on overall financial health, not just on individual funds. It requires more complete information on the cost of delivering services and value estimates on public infrastructure assets, such as bridges, road, sewers, etc. It also requires the presentation of a narrative statement analyzing the government's financial performance, trends and prospects for the future.

GASB 45

This is another Governmental Accounting Standards Board major pronouncement that each public entity account for and report other postemployment benefits (See OPEB) in its accounting statements. Through actuarial analysis, municipalities must identify the true costs of the OPEB earned by employees over their estimated years of actual service.

Informational Guideline Release (IGR)

A DLS publication that outlines a policy, administrative procedure, or provides a law update related to municipal finance. Refer to online listing of IGRs.

Levy

The amount a community raises through the property tax. The levy can be any amount up to the levy limit, which is re-established every year in accordance with Proposition 2½ provisions.

Levy Ceiling

A levy ceiling is one of two types of levy (tax) restrictions imposed by MGL Ch. 59 §21C (Proposition 2½). It states that, in any year, the real and personal property taxes imposed may not exceed 2½ percent of the total full and fair cash value of all taxable property. Property taxes levied may exceed this limit only if the community passes a capital exclusion, a debt exclusion, or a special exclusion. (See Levy Limit)

Levy Limit

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

Line-Item Transfer

The reallocation of a budget appropriation between two line-items within an expenditure category (e.g., salaries, expenses). Employed as a management tool, line-item transfer authority allows department heads to move money to where a need arises for a similar purpose and without altering the bottom line. Whether or not line-item transfers are permitted depends on how the budget is presented (i.e., format) and what level of budget detail town meeting approves.

Local Acceptance Statute

A requirement placed within the language of a General Law that a community affirmatively accept the statute by town meeting or city council action or referendum before availing itself of the provisions of the particular law.

Local Aid

Revenue allocated by the Commonwealth to cities, towns, and regional school districts. Estimates of local aid are transmitted to cities, towns, and districts annually by the "Cherry Sheets." Most Cherry Sheet aid programs are considered general fund revenues and may be spent for any purpose, subject to appropriation.

Local Receipts

Locally generated revenues, other than real and personal property taxes. Examples include motor vehicle excise, investment income, hotel/motel tax, fees, rentals, and charges. Annual estimates of local receipts are shown on the tax rate recapitulation sheet. (See Estimated Receipts)

New Growth

The additional tax revenue generated by new construction, renovations and other increases in the property tax base during a calendar year. It does not include value increases caused by normal market forces or by revaluations. New growth is calculated by multiplying the assessed value associated with new construction, renovations and other increases by the prior year tax rate. The additional tax revenue is then incorporated into the calculation of the next year's levy limit. For example, new growth for FY07 is based on new construction, etc. that occurred between January and December 2005 (or July 2005 and June 2006 for accelerated new growth communities). In the fall of 2006, when new growth is being determined to set the FY07 levy limit, the FY06 tax rate is used in the calculation.

Non-Recurring Revenue Source

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

OPEB (Other Postemployment Benefits)

Employees of state and local governments may be compensated in a variety of forms in exchange for their services. In addition to a salary, many employees earn benefits over their years of service that will not be received until after their employment with the government ends. The most common type of these postemployment benefits is a pension. Postemployment benefits other than pensions generally take the form of health insurance and dental, vision, prescription, or other healthcare benefits provided to eligible retirees, including in some cases their beneficiaries. They may also include some type of life insurance. As a group, these are referred to as OPEB. (See GASB 45)

Override

A vote by a community at an election to permanently increase the levy limit. An override vote may increase the levy limit no higher than the levy ceiling. The override question on the election ballot must state a purpose for the override and the dollar amount. (See Underride)

Override Capacity

The difference between a community's levy ceiling and its levy limit. It is the maximum amount by which a community may override its levy limit.

Personal Property – Movable items not permanently affixed to, or part of the real estate. It is assessed separately from real estate to certain businesses, public utilities, and owners of homes that are not their primary residences.

Recurring Revenue Source

A source of money used to support municipal expenditures, which by its nature can be relied upon, at some level, in future years. (See Non-recurring Revenue Source)

Reserve Fund

An amount set aside annually within the budget of a city (not to exceed 3 percent of the tax levy for the preceding year) or town (not to exceed 5 percent of the tax levy for the preceding year) to provide a funding source for extraordinary or unforeseen expenditures. In a town, the finance committee can authorize transfers from this fund for "extraordinary or unforeseen" expenditures. Other uses of the fund require budgetary transfers by town meeting. In a city, transfers from this fund may be voted by the city council upon recommendation of the mayor.

Revolving Fund

Allows a community to raise revenues from a specific service and use those revenues without appropriation to support the service. For departmental revolving funds, MGL Ch. 44 §53E½ stipulates that each fund must be re-authorized each year at annual town meeting or by city council action, and that a limit on the total amount that may be spent from each fund must be established at that time. The aggregate of all revolving funds may not exceed ten percent of the amount raised by taxation by the city or town in the most recent fiscal year, and no more than one percent of the amount raised by taxation may be administered by a single fund. Wages or salaries for full-time employees may be paid from the revolving fund only if the fund is also charged for all associated fringe benefits.

Schedule A

A statement of revenues, expenditures and other financing sources, uses, changes in fund balance and certain balance sheet account information prepared annually by the accountant or auditor at the end of the fiscal year. This report is based on the fund account numbers and classifications contained in the UMAS manual.

Single Audit Act

For any community that expends \$750,000 or more per year in federal grant awards, the Single Audit Act establishes audit guidelines that reduce to only one the number of annual audits to be completed to satisfy the requirements of the various federal agencies from which grants have been received.

Special Revenue Fund

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

Stabilization Fund

A fund designed to accumulate amounts for capital and other future spending purposes, although it may be appropriated for any lawful purpose (MGL Ch. 40 §5B). Communities may establish one or more stabilization funds for different purposes and may appropriate into them in any year an amount not to exceed ten percent of the prior year's tax levy. The total of all stabilization fund balances shall not exceed ten percent of the community's equalized value, and any interest shall be added to and become a part of the funds. A two-thirds vote of town meeting or city council is required to establish, amend the purpose of, or appropriate money into or from the stabilization fund. (See DOR IGR 04-201)

Tax Rate Recapitulation Sheet (Recap Sheet)

A document submitted by a city or town to the DOR in order to set a property tax rate. The recap sheet shows all estimated revenues and actual appropriations that affect the property tax rate. The recap sheet should be submitted to the DOR by September 1 (in order to issue the first-half semiannual property tax bills before October 1) or by December 1 (in order to issue the third quarterly property tax bills before January 1)

Turnover Sheet

A form, completed by municipal departments, that accompanies the physical transfer of departmental revenues, or bank deposit slips reflecting revenues, to the treasurer.

Override

A vote by a community to permanently decrease the tax levy limit. As such, it is the exact opposite of an override. (See Override)

Undesignated Fund Balance

Monies in the various government funds as of June 30 that are neither encumbered nor reserved, and are therefore available for expenditure once certified as part of free cash. (See Designated Fund Balance)

Uniform Procurement Act

Enacted in 1990 and most recent amended in 2016, MGL Ch. 30B establishes uniform procedures for local government to use when contracting for supplies, equipment, services and real estate. The act is implemented through the Office of the Inspector General. (See Massachusetts Certified Public Purchasing Official).

Unreserved Fund Balance (Surplus Revenue Account)

The amount by which cash, accounts receivable, and other assets exceed liabilities and restricted reserves. It is akin to a "stockholders' equity" account on a corporate balance sheet. It is not, however, available for appropriation in full because a portion of the assets listed as "accounts receivable" may be taxes receivable and uncollected. (See Free Cash)

User Charges/Fees

A municipal funding source where payment is collected from the user of a service to help defray the cost of providing the service. Note that any increases in the fees must satisfy the three tests set forth in the so called Emerson case . (See Emerson College v. Boston, 391 Mass. 415 (1984))