



# Town of Coupeville

4 NE Seventh ▪ PO Box 725 ▪ Coupeville WA 98239  
360.678.4461 ▪ 360.678.3299 Fax ▪ www.townofcoupeville.org

## TOWN COUNCIL REGULAR MEETING

### AGENDA

Coupeville Rec Hall

October 13, 2015

6:30 pm

#### CALL TO ORDER

#### PLEDGE OF ALLEGIANCE

#### CHANGES AND APPROVAL OF AGENDA

#### APPROVAL OF MINUTES

- Council Meeting of September 22, 2015

#### MAYOR'S REPORT

#### AUDIENCE INPUT - See NOTE

#### PRESENTATION

- Senior Services & Coupeville HUB, Cheryn Weiser

#### PUBLIC HEARING

1. **Ordinance No. 723 approving the 2015 Budget Revision** - *Staff recommends adopting Ordinance No. 723 amending Ordinance No. 717 by changing 2015 budget appropriations for the General Fund, Street Fund, Water Capital Fund, Sewer Capital Fund and Utility Fund as noted.*

#### NEW BUSINESS

2. **Adopt Policies and Procedures for the 2016 Budget** - *Staff recommends adopting the policies and procedures for the 2016 Budget as presented.*
3. **Set Budget Workshop date and time** - *Staff recommends scheduling the 2016 Budget Workshop for Tuesday, October 20<sup>th</sup> at 2:00pm in the Rec Hall.*
4. **Set date for Public Hearing - 2016 Revenue Sources, 2016 Property Tax, and 2016 Budget** - *Staff recommends a motion to set a Public Hearing on November 24, 2015 for the 2016 Revenue Sources, the 2016 Property Tax Levy, and the 2016 Budget.*

#### AUDIENCE INPUT - See NOTE

#### EXECUTIVE SESSION – To review the performance of a public employee.

#### ADJOURN

**NOTE: Audience Input** - This is time set aside for members of the public to speak to the Council about subjects of concern or interest, or items not already set aside for a public hearing. Questions presented may not be answered immediately if all information is not available, but will be responded to as soon as possible. To ensure your comments are recorded properly, you need to state your name and address clearly into the microphone. Please limit your comments to 5 minutes. Input requiring more lengthy comment is best submitted in writing.

**NOTE:** Persons with disabilities requiring elevator access to the Hearing Room, please call twenty-four (24) hours prior to the scheduled event to Clerk-Treasurer (360) 678-4461, ext 7.

## COUPEVILLE TOWN COUNCIL PUBLIC HEARING FORMAT

1. The Mayor opens the Public Hearing.
2. The Mayor asks if there are any possible conflict of interest or appearance of fairness problems.
3. Staff makes their report and recommendations.
4. The Applicant makes their presentation.
5. **The public is invited to comment.**
6. Comment letters are acknowledged for the record.
7. The Applicant is provided an opportunity to respond to the public comment.
8. Town Council asks questions of the applicant, staff or public to clarify the proposal or acquire more facts.
9. The Mayor closes the Public Hearing -- **no public comment is permitted once the hearing is closed.**
10. A motion is made regarding the application or proposal.
11. Discussion by the Town Council.
12. Vote.
13. Adoption of findings, when required.

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### YOU ARE ENCOURAGED TO PARTICIPATE IN PUBLIC HEARINGS

The purpose of public hearings is to provide the public with an opportunity to make comments about proposals being considered by the Town Council.

If you wish to make a comment during a public hearing please indicate so by raising your hand during the comment period. When you are recognized by the Mayor, rise and clearly state your name and address before giving your comments. This will help the Town Clerk make an accurate record of the hearing.

Please direct your comments to the Mayor and not to the applicant or other members of the public.

**Town of Coupeville  
Regular Council Meeting  
September 22, 2015  
6:30 p.m.**

**PRESENT:** Mayor Nancy Conard, Councilmembers Molly Hughes, Bob Clay, and Jackie Henderson.

**Council Action:** A motion was made by Councilmember Jackie Henderson, second by Councilmember Bob Clay, to excuse Councilmembers Pat Powell and Dianne Binder. The motion passed unanimously.

**STAFF PRESENT:** Clerk Treasurer Kelly Beech, Marshal Rick Norrie

**CHANGES AND APPROVAL OF THE AGENDA**

**Council Action:** A motion was made by Councilmember Molly Hughes, second by Councilmember Bob Clay, to approve the Agenda as submitted. The motion passed unanimously.

**APPROVAL OF MINUTES**

The minutes of the Regular Meeting of August 25, 2015 were approved as submitted.

**AUDIENCE INPUT**

Audience member Rick Widdison addressed the council as the representative of a group of citizens living on Bainbridge Lane to present the Council with a signed petition requesting the Town consider re-prioritizing the resurfacing of Bainbridge Lane.

**NEW BUSINESS**

**Approval of August 2015 payroll transactions and warrants and September 2015 A/P transactions and warrants**

**Council Action:** A motion was made by Councilmember Jackie Henderson, second by Councilmember Bob Clay to approve the August 2015 payroll transactions and warrants #31000 to #31006 for a total of \$85,380.59 and September 2015 A/P transactions and warrants #31007 to #31057 for a total of \$176,511.12. Questions were asked and answered. The motion passed unanimously.

**STAFF REPORTS**

Clerk Treasurer Kelly Beech reviewed the monthly fiscal reports and answered questions.

Marshal Rick Norrie reviewed his monthly reports, spoke briefly about the upcoming Annual Oyster Run, the recent speed limit change on Engle Rd. and Terry Rd., and reminded the Council of the annual drug takeback program happening this Saturday.

**COUNCIL REPORTS**

Councilmember Molly Hughes attended a ½ day class for emergency planning with Island County. Councilmember Hughes also attended the League of Women Voters dinner where

Mayor Conard was one of the speakers, and participated in the Mayor's walk. Finally Councilmember Hughes spoke briefly about the annual Town concert and Lion's BBQ which was attended by over 200 people.

Councilmember Bob Clay reported that there was no Law & Justice Council meeting this month.

Councilmember Jackie Henderson informed that Council that there will be an Island County Transit Board meeting on Friday. Councilmember Henderson also spoke briefly about the NET program and some training that Island County Human Services is coordinating for the NET volunteers.

**ADJOURNMENT:** 7:36 pm

Respectfully Submitted:

MAYOR:

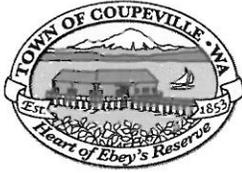
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Kelly Beech, Clerk Treasurer

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Nancy Conard

*A complete audio recording of this meeting is available upon request from the Clerk-Treasurer.*



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## STAFF REPORT

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**DATE:** October 9, 2015  
**TO:** Mayor Nancy Conard and Members of the Town Council  
**FROM:** Kelly Beech, Clerk Treasurer  
**RE:** Budget Revision, Ordinance 723

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The attached budget revision was discussed during our workshop on September 8, 2015. The revisions are based on Actual Fund Balance in the affected funds, carryover projects which were allocated in 2014 but did not commence until 2015, and the Madrona Way Project.

The Public Hearing notification for this Ordinance was published in the Whidbey News Times on October 1<sup>st</sup> and posted at Town Hall, the Coupeville Post Office and at the Island County Courthouse.

**Staff Recommendation:** *Staff recommends adopting Ordinance No. 723 revising the Budget of the Town of Coupeville for 2015, total expenditure amount of \$6,964,457.*

TOWN OF COUPEVILLE  
Coupeville, Washington  
**ORDINANCE NO. 723**

**AN ORDINANCE of the Town Council of the Town of Coupeville, amending Ordinance No. 717 by changing 2015 budget appropriations for the General Fund, Street Fund, Water Capital Projects Fund, Sewer Capital Projects Fund and Utility Fund.**

**WHEREAS**, Ordinance No. 717 adopted the budget for the Town of Coupeville for the fiscal year ending December 31, 2015; and

**WHEREAS**, the Town Council now desires to amend the budget; and

**WHEREAS**, a Public Hearing has been held on October 13, 2015, and the Council has considered testimony as required by the Revised Code of Washington;

**NOW, THEREFORE, BE IT ORDAINED BY THE TOWN COUNCIL OF THE TOWN OF COUPEVILLE, WASHINGTON, as follows:**

**Section 1**

The budget for the Town of Coupeville, Washington, for the fiscal year ending December 31, 2015, as adopted in Ordinance 717, is hereby amended as set forth in Exhibit "A".

**Section 2**

The total revenues and expenditures for the General Fund, Street Fund, and Utility Fund, of the Town of Coupeville are hereby appropriated as follows:

<u>Fund</u>	<u>Description</u>	<u>2015 Budget</u>	<u>2015 Budget Revision</u>	<u>2015 Amended Budget</u>
001	General Fund	\$ 1,935,025	\$ -203,408	\$ 1,731,617
101	Street Fund	\$ 639,395	\$ 383,243	\$ 1,022,638
303	Water Capital Fund	\$ 600,000	\$ 95,523	\$ 695,523
304	Sewer Capital Fund	\$ 500,000	\$ 894,000	\$ 1,394,000
401	Utility Fund	\$ 1,041,793	\$ 631,048	\$ 1,672,841

**Section 3 – Effective Date**

This ordinance shall take effect immediately upon passage and publication as required by law.

**PASSED** by the Town Council and **APPROVED** by the Mayor on this 22<sup>nd</sup> day of September, 2015.

ATTEST

MAYOR

\_\_\_\_\_  
Kelly Beech, Clerk-Treasurer

\_\_\_\_\_  
Nancy Conard, Mayor

APPROVED: October 13, 2015  
PUBLISHED: October 22, 2015  
EFFECTIVE: October 22, 2015

**Exhibit A, pg.1**

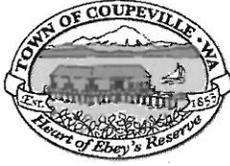
**2015 Operating Budget Detail - Revision**

FUND NUMBER	Description	2015 Budget	2015 Amendment 1	2015 Ammended Budget	NOTES
001.000.000.308.00.00.00	Beginning Cash & Investments	\$ 524,897	\$ 66,908	\$ 591,805	Actual Beginning Fund Balance
001.000.000.308.00.00.00	Carry Over projects	\$ 34,300	\$ 83,397	\$ 117,697	See Individual Expense Revisions
001.000.000.322.10.00.01	Permits - Bldg., Mech., Plumbing	\$ -	\$ 95,000	\$ 95,000	WGH Expansion Permit Fees
001.000.000.334.03.31.00	Opportunity Council Grant - SWC	\$ -	\$ 1,774	\$ 1,774	
001.000.000.345.81.00.01	Tree Credit - In-lieu of Planting	\$ -	\$ 4,500	\$ 4,500	Majure
001.000.900.333.03.10.07	Grant - DOE Penn Cove SW Project	\$ 495,523	\$ (479,309)	\$ 16,214	Project closed in June 2015
001.000.000.514.00.41.00	Professional Services	\$ 18,000	\$ 11,914	\$ 29,914	c/o SAO - \$1,914; Staff Transition/Development \$10,000
001.000.000.514.00.44.00	Advertising	\$ -	\$ 3,000	\$ 3,000	Employment Ads
001.000.000.518.10.32.00	Fuel	\$ 12,000	\$ (8,000)	\$ 4,000	Redistributed based on vehicle use.
001.000.000.521.00.20.00	Benefits	\$ -	\$ 2,000	\$ 2,000	Unemployment Benefits
001.000.000.525.60.64.00	Equipment	\$ -	\$ 42,768	\$ 42,768	c/o \$35,168; Radios \$7,600
001.000.000.531.50.41.07	Penn Cove Stormwater Project	\$ 495,523	\$ (489,610)	\$ 5,913	Project closed in June 2015
001.000.000.531.80.01.00	Community Energy Challenge (SWC)	\$ -	\$ 1,600	\$ 1,600	
001.000.000.539.00.41.01	Professional Services - Special Project	\$ -	\$ 40,000	\$ 40,000	c/o \$2,772; WGH Expansion \$37,228
001.000.000.558.00.10.00	Salaries	\$ 75,074	\$ (36,074)	\$ 39,000	Staff Change
001.000.000.558.00.20.00	Benefits	\$ 29,184	\$ 3,212	\$ 32,396	Staff Change & Smith Retirement
001.000.000.558.00.41.00	Professional Services - Special Project	\$ -	\$ 25,000	\$ 25,000	WGH Expansion
001.000.000.558.00.41.01	Professional Services - B. Smith	\$ -	\$ 40,740	\$ 40,740	B. Smith.
001.000.000.558.00.64.00	Equipment	\$ -	\$ 1,806	\$ 1,806	GIS Software
001.000.000.559.60.10.00	Salaries	\$ 20,254	\$ (8,614)	\$ 11,640	Staff Change
001.000.000.559.60.20.00	Benefits	\$ 4,036	\$ (1,708)	\$ 2,328	Staff Change
001.000.000.559.60.41.00	Professional Services - Bldg	\$ 19,950	\$ 5,050	\$ 25,000	CWA - Contract Planning Services
001.000.000.559.60.41.01	Special Project - Bldg	\$ -	\$ 30,000	\$ 30,000	WGH Expansion
001.000.000.569.49.00.00	HUB Senior Services Support	\$ -	\$ 10,000	\$ 10,000	c/o \$2,825 + add'l \$7,175
001.000.000.575.73.90.00	Miscellaneous - Community Events	\$ 2,000	\$ 1,500	\$ 3,500	c/o \$1,500
001.000.000.576.80.32.00	Fuel - Parks	\$ -	\$ 1,400	\$ 1,400	Redistributed based on vehicle use.
001.000.000.576.80.63.00	Park Improvements	\$ 3,800	\$ 4,500	\$ 8,300	Majure
001.000.000.596.18.00.00	Equipment - Central Services	\$ -	\$ 39,218	\$ 39,218	c/o PW Truck \$39,218
001.000.000.597.00.00.00	Transfers Out to Fund 101	\$ -	\$ 76,890	\$ 76,890	2014 Asphalt, paid for in 2015
	<b>Fund 001 Total Expenditures</b>	<b>\$ 1,935,025</b>	<b>\$ (203,408)</b>	<b>\$ 1,731,617</b>	

**Exhibit A, pg.2**

2015 Operating Budget Detail - Revision

FUND NUMBER	Description	2015 Budget	2015 Amendment 1	2015 Ammended Budget	NOTES
101.000.000.308.00.00.00	Beginning Balance	\$ 105,695	\$ 35,166	\$ 140,861	Actual Beginning Fund Balance
101.000.000.308.01.00.00	Carryover Projects	\$ 6,000	\$ 2,500	\$ 8,500	CFA Grant
101.000.000.333.20.20.01	WSDOT-Ind Fed-Madrona Way Proj.	\$ 378,000	\$ 107,162	\$ 485,162	Actual WSDOT Award
101.000.000.334.03.60.00	STATE-TIB Grant-Madrona Way	\$ 58,000	\$ 3,153	\$ 61,153	Actual TIB Award
101.000.000.334.03.80.02	TIB-SCPP Grant - 2015 Seal Coat		\$ 27,124	\$ 27,124	Actual TIB Award - 2014 Chipseal
101.000.000.397.00.00.99	Transfer-In from Gen. Fund	\$ 13,000	\$ 76,890	\$ 89,890	Town portion of 2014 Asphalt Project
101.000.000.397.00.00.41	Transfer-In from Utility Fund	\$ -	\$ 169,486	\$ 169,486	Madrona Project - Town Portion
101.000.000.595.30.63.03	Madrona Way Street Improvements	\$ 438,000	\$ 277,801	\$ 715,801	Street Improvements w/Madrona Way Project
101.000.000.595.63.04.00	TIB-2013 Overlay Project	\$ -	\$ 28,552	\$ 28,552	2014 Chipseal invoiced in 2015
101.000.000.595.63.04.01	STPR-Asphalt	\$ -	\$ 76,890	\$ 76,890	2014 Asphalt invoiced in 2015
	<b>Fund 101 Total Expenditures</b>	<b>\$ 639,395</b>	<b>\$ 383,243</b>	<b>\$ 1,022,638</b>	
303.000.000.308.00.00.00	Beginning Balance	\$ 638,100	\$ 11,890	\$ 649,990	Actual Beginning Fund Balance
303.000.000.397.00.00.41	Transfer in from Utility Fund	\$ -	\$ 331,523	\$ 331,523	Town Portion of Madrona Way Project Phase I
303.000.721.391.20.00.00	2015 USDA Revenue Bond - Ord 721	\$ -	\$ 364,000	\$ 364,000	Madrona Way Phase I - Water
303.000.721.594.34.65.00	2015 Madrona Way Construction Project	\$ -	\$ 695,523	\$ 695,523	Madrona Way Phase I with 20% Contingency
303.000.751.596.34.63.00	Other Improvements	\$ 600,000	\$ (600,000)	\$ -	Allocate to Madrona Way Project
	<b>Fund 303 Total Expenditures</b>	<b>\$ 600,000</b>	<b>\$ 95,523</b>	<b>\$ 695,523</b>	
304.000.000.308.00.00.00	Beginning Balance	\$ 516,000	\$ 22,862	\$ 538,862	Estimate
304.000.720.391.60.00.00	2015 Madrona Way Heritage Bank Note		\$ 697,000	\$ 697,000	Madrona Way Phase I - Sewer Anticipation Note
304.000.722.391.20.00.00	USDA Revenue Bond - Ord 722	\$ -	\$ 697,000	\$ 697,000	Madrona Way Phase I - Sewer Revenue Bond
304.000.720.594.35.65.00	2015 Madrona Way Construction Project		\$ 697,000	\$ 697,000	Construction Account
304.000.720.594.35.65.01	Heritage Bank Anticipation Note		\$ 697,000	\$ 697,000	Payoff Anticipation Note with Revenue Bond
304.000.751.596.35.63.01	Other Improvements	\$ 500,000	\$ (500,000)	\$ -	
	<b>Fund 304 Total Expenditures</b>	<b>\$ 500,000</b>	<b>\$ 894,000</b>	<b>\$ 1,394,000</b>	
401.000.000.308.00.00.00	Beginning Balance	\$ 100,003	\$ 845,203	\$ 945,206	Per Budget
401.000.000.308.00.00.00	Carryover Items	\$ 27,000	\$ 90,039	\$ 117,039	c/o - Equipment \$90,039; Sewer Plan \$10,000; Storm Plan \$10,000; Update Database \$7,000
401.000.000.596.34.64.00	Water Equipment		\$ 65,310	\$ 65,310	c/o
401.000.000.596.35.64.00	Sewer Equipment		\$ 64,729	\$ 64,729	c/o
401.000.000.597.00.00.11	Transfer to Fund 101	\$ -	\$ 169,486	\$ 169,486	Utility Portion of Madrona Street Project
401.000.000.597.00.00.33	Transfer to Fund 303	\$ -	\$ 331,523	\$ 331,523	Madrona Project
	<b>Fund 401 Total Expenditures</b>	<b>\$ 1,041,792</b>	<b>\$ 631,048</b>	<b>\$ 1,672,840</b>	



**STAFF REPORT**

**DATE:** October 9, 2015  
**TO:** Mayor Nancy Conard and Members of the Town Council  
**FROM:** Kelly Beech, Clerk-Treasurer  
**RE:** 2016 Budget Policies

The Proposed 2016 Budget Policies are submitted for your review and approval. These policies will be guidelines for preparing the 2016 budget.

Changes recommended include:

1) The 2015 time study was completed in September which resulted in these changes to the allocation Policy #4 for Administrative Fee transfer from Utilities to General Fund:

- Council *no change*
- Administration changed from 38% to 40%
- Central Services changed from 36% to 43%
- Public Works changed from 47% to 46%
- Planning changed from 18% to 16%

2) Update of the Town's organizational chart.

**This is how the 2016 Budget Calendar looks at this time:**

September 1	Request to department heads for revenue and expenditure estimates
September 15	Department estimates to be filed with the Clerk-Treasurer
September 22	Estimates and projections presented to Council
October 1	Proposed budget prepared by Clerk-Treasurer is to be filed with Mayor
October 13	Schedule Public Hearing on proposed budget, revenue sources & property tax. Adopt Budget Policies and Priorities.
October 20	Council Workshop on 2016 Budget and 2016 Fee Schedule
November 2	Preliminary Budget and Message filed with Council and made available to Public.
November 5	Notice in Paper of Preliminary Budget and Public Hearings
November 12	Notice in Paper of Preliminary Budget and Public Hearings
November 24	Public Hearing on Revenue Sources and Property Tax - Adoption Public Hearing on 2016 Budget - Adoption
November 25 or December 9	File Levy Ordinance with County Copies of final budget to be transmitted to State Auditor's Office & MRSC

## 2016 Budget Policies

### Fiscal Policies

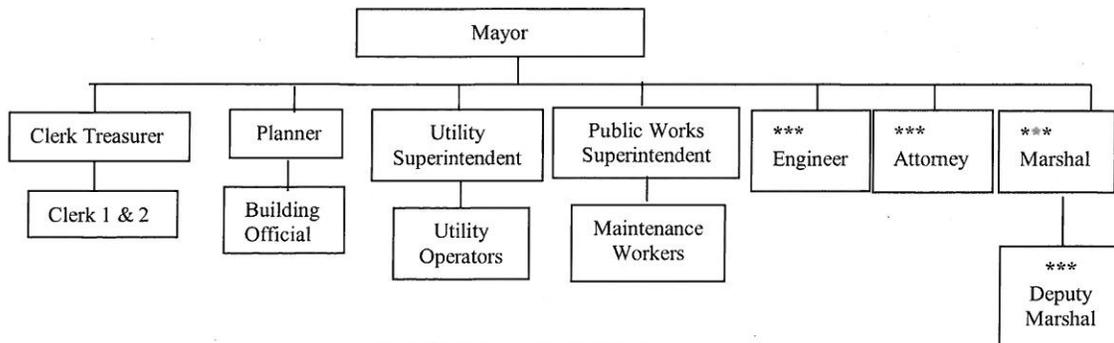
- 1) General Fund Ending Balance should be maintained at a minimum of \$200,000.
- 2) Utility Fund Ending Balance should be maintained at a minimum of \$100,000.
- 3) Annual revenues should cover annual operating expenditures in the General, Street, and Utility Funds.
- 4) Transfers between funds may be authorized by the adopted budget, or by specific Council action.
- 5) User fees are adopted annually at the Council level, and are designed to cover the costs of the service unless the Council decides to subsidize the cost.
- 6) Utility rates and connection fees will be set to cover operating expenditures and capital project needs. Utility rates and connection fees should be reviewed by the Utility Advisory Committee every two years for adequacy, and a report of their findings provided to the Town Council. Connection fees are to be used for capital projects only.
- 7) The Debt Service Ratio in the Utility Fund (net revenues divided by debt service) should not fall below 1.50.
- 8) Interfund lending is permissible with Council approval, providing a planned schedule of repayment of loan principal as well as setting a reasonable rate of interest to be paid to the lending fund. The loan may continue over a period of more than one year but must be "temporary" in the sense that no permanent diversion of the lending fund result from failure to repay by the borrowing fund (Resolution 86-10).
- 9) All possible funding sources, governmental or private, will be explored before committing Town funds (Resolution 94-14).
- 10) Long-range budgets will be developed based on projected growth according to the current Comprehensive Plan; public demand; and location, use, and condition of present facilities (Resolution 94-14).
- 11) Capital projects and purchases that are listed in the current budget are presumed approved and can be carried over and expended in the new year as long as there are sufficient funds. The Clerk-Treasurer will advise the Council of projects that will be carried over by memo at a Council session. In no case, can the total project amount be increased without Council approval. If the bottom line fund balance needs to be increased as a result, an amendment will be made as soon as it's practical.
- (12) Equipment purchases of items under \$500 shall be considered small tools and minor equipment; purchases greater than \$500 shall be considered capital equipment.

## Allocation Policies

- 1) Fuel Tax revenues will be accumulated in the Street Fund until there is enough for a major project, or to be used as match for a grant or loan that will accomplish a major project. Revenues in the Street Fund may also be used as funding for an approved Pavement Management System for all Town streets.
- 2) The revenue for the 2% Hotel/Motel Tax may be allotted in the year after it was received (Resolution 96-20).
- 3) Water and sewer connection fees will be put in reserves to fund water and sewer capital projects (Ordinance 526). Revenues will be accumulated until there is enough for an approved project, or to be used in conjunction with a grant or loan to accomplish an approved project.
- 4) Administrative fees will be transferred from the Utility Fund to the General Fund to cover the expenses of general administrative services (Council, Administration, Central Services, Public Works, and Planning) to support the utility operation. No wages will be charged directly to the Utility Fund for administrative services. Time studies will be done on an annual basis and an average of the last 5 studies will be used to calculate a rate at which the administrative fee will be transferred for each department. An allocation for Council expense will be made based on agenda items and ordinances related to utilities. Legal fees will be charged directly to the Utility Fund. For the 2016 budget the following table will be used based on the 2015 Time Study:
  - 5%- Council - calculated on agenda items and ordinances related to utilities
  - 40%- Administration - average percentage of Admin working on utility issues
  - 43% - Central Services - average percentage of all Admin. Services working on utility
  - 46% - Public Works - calculated on hours the PW Director works on utility issues
  - 16% - Planning - calculated on hours the Planner works on utility issues

## Employee - Personnel Policies

- 1) The Salary and Wage Schedule will be approved annually by the Town Council (Resolution 94-6).
- 2) Reserves will be set aside to cover Accrued Compensation Balances.
- 3) The Town Council will adopt budgets and set salaries in order to achieve the organization and level of staffing outlined below.



## **Investment Policies**

- 1) It is the policy of the Town to invest public funds in a manner which will provide maximum security with the highest investment return while meeting the daily cash flow demands of the Town, and conforming to all state and local statutes governing the investment of public funds (Resolution 96-03).
- 2) Investments shall be made with judgment and care, under circumstances then prevailing, which persons of prudence, discretion and intelligence exercise in the management of their own affairs, not for speculation, but for investment, considering the probable income to be derived (Res. 96-03).
- 3) The primary objectives, in priority order, of the Town's investment activities shall be: Safety, Liquidity, and Yield (Resolution 96-03).
- 4) The Town will diversify its investments by security type and institution. With the exception of U.S. Treasury securities and authorized pools, no more than 50% of the entity's total investment portfolio will be invested in a single security type or with a single financial institution (Res. 96-03).
- 5) To the extent possible, the Town will attempt to match its investments with anticipated cash flow requirements. Unless matched to a specific cash flow, the Town will not directly invest in securities maturing more than five years from the date of purchase (Resolution 96-03).

## **Capital Policies**

- 1) The responsibility for financing capital improvements should be assumed by the primary beneficiaries of the facility (Resolution 94-14).
- 2) General Revenues should be used to fund projects only if the project provides a general benefit to the Town (Res. 94-14).
- 3) The Town should use long-term borrowing to fund projects when the proposed facility will provide benefits for 20 years or longer.
- 4) The Town should seek grants or private funds whenever available to finance capital improvements (Resolution 94-14).
- 5) All major transactions, such as the purchase or sale of public land, will be studied for the effects they will have on needed utilities and services (Resolution 94-14).
- 6) Capital costs for public facility projects, including an estimate of subsequent operating costs, will be identified in a Capital Facilities Plan (CFP).
- 7) The 6-year Capital Improvement Plan (CIP) will be reviewed annually, prior to the Budget Process. Annual capital needs identified in the revised CIP will be used in the compilation of the annual budget.
- 8) Capital needs will not be considered during the Budget Process unless they have already been identified in the Capital Facility Plan. (2015 review will occur in 2016. Any new proposed capital projects will be included in a 2016 Budget Revision following CIP update.)
- 9) Capital improvement projects or purchases related to the General Fund and/or Street Fund will be accounted for directly out of Fund 105, the Capital Improvement Fund.

- 10) Capital improvements projects or purchases related to water system will be accounted for directly out of Fund 303, the Capital Improvement Fund for Water.
- 11) Capital improvement projects or purchases related to sewer system will be accounted for directly out of Fund 304, the Capital Improvement Fund for Sewer.

### **Budgetary Accounting**

- 1) The Clerk-Treasurer, with written approval or direction from the Mayor, is authorized to move funds from one line item to another in a fund's budget, provided that the total approved expenditure for the fund is not exceeded. The council shall be informed of such actions.