

Town Administrator Report
February 26, 2019

The following is a summary of the major activities of the Office of the Town Administrator for the previous week.

- 1. Budget Update-Finance Committee** -On February 14 and February 21 I attended the Finance Committee meetings to assist where necessary in their review of the proposed FY 2020 budget. The Finance Committee has been meeting regularly throughout the winter season to meet with individual Departments and review the proposed budget. On Feb. 21, the Committee voted to recommend a total budget of \$30,982,462, which is in balance given available revenues. The detailed budget recommendations are included in the draft Town Meeting warrant presented for the Board's review. I will continue to work with the Committee as we prepare for Town Meeting. Our next major steps are the review of the Town Meeting Articles. A copy of the draft warrant was sent to the Finance Committee on Friday, February 22. The budget calendar calls for the submission of their final recommendations by March 14. The Board of Selectmen are scheduled to take action on the Town Meeting Warrant at your meeting of March 14, and our deadline for submitting the warrant for publication is March 18. I am thankful for the hard work of the Finance Committee to have completed their budget review before March 1 and now turn their attention to the warrant. This makes the process of planning for Town Meeting very smooth and gives us time to double-check all of the articles to make sure we are well-prepared.

- 2. Financial Policy Manual**—Attached please find our proposed Financial Policy Manual for your review and comment. The adoption of financial policies is a significant step in achieving best management practices in municipal finance, and these policies can play a major role in ensuring the consistency and long-term application of sound procedures that help to create stability and transparency in the management of the Town's finances. More importantly, through these policies the Town is able to implement and adopt procedures to address the specific management improvement comments from our annual independent audit. Included here are comments calling for procedures to address control of munis access rights, lack of formal policies and procedures, use of credit cards, documentation of internal controls to name a few specific items. These policies and procedures address a big gap in our overall financial documentation and will help to serve as a guide to develop more specific operational procedure manuals and documentation at the Department level that will help guide both present and future officials in a thoughtful and consistent way. I want to acknowledge our Town Accountant, Deb Potter, for compiling these policies into a concise and usable policy manual format. I encourage Board members to review this material, and I hope it may be approved at least in an interim fashion on an upcoming agenda.

- 3. Town Hall Project Update** – I have previously distributed to Board members the attached RFP for professional architectural services for the Town Hall. The RFP seeks to engage a qualified firm to reassess the renovation possibilities for working with our existing structure in its present configuration to avoid the massive costs of completely new construction. My next step with the approval of the Board is to advertise the RFP and to develop a list of proposed firms for the Board to review. In the meantime, I am working with our Highway Department to take affirmative steps to address issues related to cleanliness, air quality and maintenance for the existing building to make it a livable space as we continue to weigh options for making the improvements to modernize and bring the building up to code.

- 4. Oak Bluffs School Service Learning Program** – I want to acknowledge and thank our Chairman, Gail Barmakian, and Vice Chairman, Brian Packish for their work in participating in the Oak Bluffs School Service Learning Program. Gail and Brian led a delegation of Town Officials including Conservation Agent, Liz Durkee and me to the school on February 14 to address the seventh and eighth grade classes on issues of importance to our local government. As part of the Service Learning Program, their teacher, Eve Heyman led the students in an activity to select key Town issues that they may be able to impact. The students chose, stabilizing the East Chop Bluff, County Road drainage and litter, most notably from “nip” bottles as their key issues. Town Officials spent the morning with the students giving presentations on each of these issues and answering questions. They left with a greater understanding of how our local government works as well as several action steps to make a difference. Our Selectmen were great in inspiring the kids with their passion for local affairs, and I was proud to be a part of the event. Special thanks to Eve Heyman and the Oak Bluffs School for helping to create interest and knowledge in local affairs. I’m sure we addressed some future Selectmen in the group.

- 5. Filming Permit Regulations**– At the request of Board members I am attaching a proposed film permitting regulation for the Board’s consideration. This regulation establishes a review process and fees associated with the supervision of filming operations for which we annually receive quite a number of requests. This also includes organized still shooting sessions occurring in public areas such as the recent modeling shoot that the Board reviewed at your meeting. It should be noted that the regulation is geared toward the larger commercial shoots that require coordination and oversight and specifically exempts not for profit shoots and shoots with less than five people involved. I have reviewed the proposed regulations with our Town Counsel to determine if a Town Bylaw was required and it turns out that the Board of Selectmen may adopt the regulations by vote.



***Town of Oak Bluffs
Budget Calendar
Fiscal Year 2020***

Initial Revenue Estimates are Reviewed with the Finance Committee	November 1, 2018
Budget Materials are Distributed to Department Heads For Completion	November 7, 2018
Deadline for the Submission of Budget Requests by Departments	November 30, 2018
Copies of Budget Requests are Submitted to Finance Committee For Review	December 06, 2018
Town Administrator Submits Recommended Budget to Selectmen	January 4, 2019
Board of Selectmen Budget Workshop	January 8, 2019
Board of Selectmen Submits Recommended Budget to Finance Committee	January 10, 2019
Finance Committee Budget Hearing	February 21, 2019
Deadline for the Submission of Annual and Special Town Meeting Articles	February 15, 2019
Final Draft of Annual and Special Town Meeting Warrant	March 1, 2019
Deadline for the Submission of Finance Committee Recommendations	March 14, 2019
Deadline for Warrant to be submitted to Newspaper	March 18, 2019
Annual Town Meeting Warrant Newspaper Publication	March 21, 2019
Deadline for Posting Annual Town Meeting Warrant	March 26, 2019
Annual Town Meeting	April 9, 2019

Deborah Potter

From: Deborah Potter
Sent: Tuesday, February 12, 2019 10:20 AM
To: Robert Whritenour (rwhritenour@oakbluffsma.gov)
Subject: Financial Policies Manual
Attachments: 20190212 WIP FINANCIAL POLICY MANUAL.pdf

Hi Bob,

As we discussed with Todd, here are the Financial Management Policies for submission to the BOS. Some key points:

- The format reflects approved Community Compact Policies so we can submit this to the State once approved by the BOS. It took the policies that the FinComm previously looked at and added several from other resources that they liked and attempts to keep all policies limited to two pages.
- The process identified within the document has the first approval coming from the BOS then the subsequent responsibility for updates and maintenance of the document is delegated to the Town Administrator or designee. This mirrors other towns but if the BOS want it changed it is an easy update
- The policies should reasonably reflect our current processes as we perform them or as were identified by other documents but a quick review by the other Financial departments is probably a good idea. Significant issues should be updated prior to adoption but smaller issues can be worked out through the implementation process and first update.
- There are a few new items-such as the MUNIS User Access form process that Wendy should be on board with. Informal conversations indicated that this process would be okay but it should be double checked.
- The schedule would be nice if adopted prior to the draft of the audit being completed so that the management items this document resolves can be updated/closed. An interim basis would also work with a more formal adoption later this year (which should still satisfy the audit items.)
- Items this should help close, or move closer to closing, from the management letter include:
 - Control of MUNIS Access and User rights
 - Lack of Formal Policies and Procedures Manuals
 - Use of Credit Cards
 - Documentation of Internal Controls\
- Items that should close for other reasons:
 - Enterprise fund reporting
 - Tailings
- Student Activity is still a work in progress and the Fraud Risk Assessment will probably have to be an outside consultant if we really want the items done correctly.

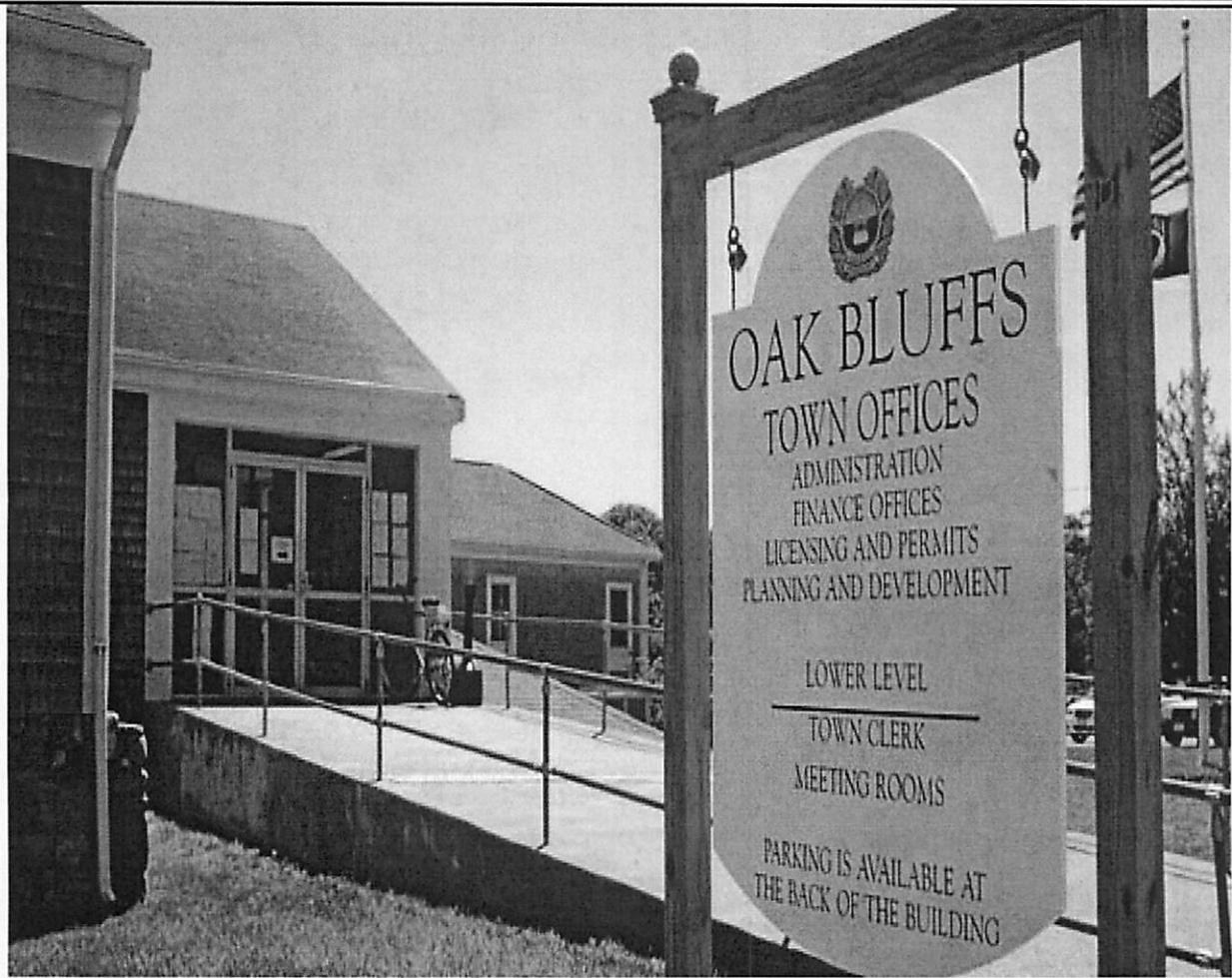
Please let me know if you need anything else regarding this project.

Respectfully,

Deborah Potter

Town Accountant
Town of Oak Bluffs
PO Box 1327
Oak Bluffs, MA 02557

508-693-3554 ext 100



**TOWN OF OAK BLUFFS
FINANCIAL POLICY MANUAL**



TOWN OF OAK BLUFFS FINANCIAL POLICY MANUAL

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TOWN OF OAK BLUFFS

FINANCIAL POLICY MANUAL

SECTION 1

1) Introduction and Purpose:

1.1 Introduction & Purpose:

The Town of Oak Bluffs, Massachusetts is responsible for the careful accounting and stewardship of public funds. These funds are provided by the taxpayers to the Town to provide affordable and sustainable services, ensure its financial strength and stability services, and to meet other goals and objectives established by the community, as represented by Town Meeting and the Board of Selectmen.

With the following policies, the Town of Oak Bluffs, through its Board of Selectmen, Town Administrator, various financial committees, and its employees, seek to:

- Provide value to the residents, business owners and visitors to the Town for each tax dollar by delivering quality services efficiently and on a cost-effective basis;
- Preserve the Town's quality of life by providing and maintaining adequate financial resources necessary to sustain a sufficient level of municipal services, and to respond to changes in the economy, the priorities of governmental and non-governmental organizations, and other changes that may affect our financial health;
- Maintain the highest achievable credit rating in order to minimize the cost of borrowing needed for the capital needs of the town;
- Guide Town decision makers on management and policy decisions which have significant fiscal importance;
- Present operating principles that minimize the cost of government and financial risk;
- Employ balanced, and fair revenue policies that provide adequate funding for desired programs;
- Promote transparency and public disclosure
- Ensure accurate and timely reporting

To achieve these objectives, the Board of Selectmen have adopted broad financial planning, revenue, and expenditure policies. General financial management and best management policies are also adopted to promote operational effectiveness, transparency and accountability. Collectively, these policies are intended to provide guidance to our decision-makers, leaders and professional staff and should be used to frame major policy initiatives and budgetary decisions.

All of the financial policies included shall also be kept up to date and amended as circumstances, such as regulatory changes, technology, and best practices dictate.

The Board of Selectmen also recognize that the leaders hired to manage the Town's finances are in the best position to establish the procedures associated with their area of expertise. Certain areas of our financial operation also warrant additional attention to adequately address the Board of Selectmen's financial management objectives, therefore, the following additional practices are in place:



TOWN OF OAK BLUFFS FINANCIAL POLICY MANUAL

- A. Each of the financial offices of the Town which consist of, as applicable, the Office of the Finance Director, the Town Accountant, the Treasurer/Collector, and the Assessor shall prepare policy guidelines, for approval by the Town Administrator, establishing the following:
 1. Standards of Performance
 2. Identification of significant office functions and responsibilities
 3. Adoption of policies related to each significant function and responsibility
 4. Documentation on the performance of each significant function and responsibility by internal office personnel and external users.
 5. Identification of key internal controls for each significant function and responsibility.
- B. Financial policies shall be accompanied by summary information which provide background and document the key considerations used in arriving at the policy decision. Where possible, reference to professional documents and/or sources should be disclosed.
- C. The Finance Committee (Fin Comm), Treasurer/Collector, or other designee, shall prepare a cash and investment policy which ensures an appropriate level of stewardship of public funds. The policy should reflect the statutory responsibility and authority of the Town's designated Treasurer/Collector.
- D. The Finance Director/Town Accountant, or designee, shall prepare, for approval by the Town Administrator, broad policies addressing risk management and financial controls.

2.1 Other related Policies

A reference list of resources for each section of this document is included as Appendix A. Additional provisions for financial related activities are included in the Town By-Laws included as Appendix B. The Town has adopted a General Conduct and Standards Policy, a Town Equipment and Property Policy, a Computer Electronic Mail and Internet Use Policy, and a Cell Phone Policy which are also provided for within the most current version of the Town of Oak Bluffs Massachusetts Personnel Policies and Procedures manual attached by reference as Appendix C.



TOWN OF OAK BLUFFS FINANCIAL POLICY MANUAL

SECTION 2:

2) Antifraud Policy

2.1 Introduction:

To protect the Town's assets and reputation from misappropriation and abuse, this policy provides guidelines to safeguard against fraud or the appearance thereof. This policy applies to all employees of the Town, members of boards and commissions, appointed, elected officials or agents representing the Town.

Fraud is defined as a deception deliberately taken to secure unfair or unlawful gain and includes but is not limited to such acts as deception, bribery, forgery, speculation, extortion, theft, embezzlement, misappropriation of money or assets, false misrepresentation, the concealment of material facts relating to any of the above and collusion or conspiracy to commit any or all of the above.

Some examples of fraudulent activities can include but are not limited to:

- Any dishonest or fraudulent act
- Forgery, alteration or misappropriation of checks, drafts, promissory notes, or securities
- Unauthorized use or disposition of funds, assets or property
- Embezzlement or Theft (of supplies, resources, proprietary information, etc.)
- Falsifying time sheets or payroll records
- Falsifying expenses and/or utilizing Town funds to pay for personal expenses or benefit
- Fictitious reporting of receipt of funds
- Improper revenue or expense recognition
- Overstatement/Understatement of assets or liabilities
- Profiteering as a result of insider knowledge
- Disclosing confidential or proprietary information
- Discounted or free services in exchange for benefits
- Bribes, Kickbacks, Breaches of Fiduciary duty, Bribery, or other statutory offenses

2.2 Policy

The Town will investigate any suspected acts of fraud, or misappropriation of property. An objective and impartial investigation will be conducted in cases of reasonably believed fraud, regardless of the position, title, service length, or relationship with the Town of any person, group or organization.

Each department head is responsible for maintaining a system of internal control to provide reasonable assurance for the prevention and detection of fraud, misappropriations and other irregularities. Management should be familiar with the types of improprieties that might occur within their area of responsibility and be alert for any indications of such conduct.

Every employee has the responsibility to assist the Town in complying with policies and laws and in reporting violations.



TOWN OF OAK BLUFFS FINANCIAL POLICY MANUAL

All department heads or individuals, upon discovery of any violation of this policy, should notify the Town Administrator of the violation. In cases where the employee has reason to believe the Town Administrator may be involved, the employee should immediately notify the Chair of the Select Board unless the Chair of the Select Board is also believed to be involved, and then another member of the Board should be contacted.

Anonymous reports, while not the preferred method of reporting fraud, may be performed by letter or other form of message left with an appropriate responsible party.

The Town Administrator has the primary responsibility for overseeing the investigation of all suspected fraudulent acts as defined in this policy. The Town Administrator will immediately notify the Chair of the Select Board of any fraud investigation, as well as legal, financial or others as deemed appropriate. The Town Administrator will make every effort to keep the investigation confidential. All participants and all persons questioned in a fraud investigation shall keep the details and results of the investigation confidential so as not to violate an individual's expectation of privacy or compromise potential legal action.

If it is determined by the Town Administrator that the violation can be corrected within the department, the department head or individual will take such action deemed necessary to resolve. The department head will be expected to provide a written report of the corrected measure to avoid further recurrence.

Upon conclusion of any investigation, the results will be reported to the Chair of the Select Board. Where there are reasonable grounds to believe that a fraud may have occurred, the Town Administrator, subject to the advice of Town Counsel, will report the incident to the appropriate authorities in order to pursue appropriate legal remedies. The Town Administrator will pursue every reasonable effort to obtain recovery of the assets. If suspicion of fraud is substantiated by the investigation, disciplinary action, up to and including dismissal and appropriate legal action, shall be taken by the Town Administrator and the Select Board.

The Town Administrator shall convene meetings of an internal audit team, on an annual basis or more frequently if needed, to review and assess the effectiveness of the fraud prevention policy and to make recommendations for the further development and/or modification of a comprehensive fraud prevention plan and policies.

2.3 Whistle-Blower Protection

The Town has adopted a Whistle-Blower policy in accordance with the Massachusetts Whistleblower Protection Act and is provided for within the most current version of the Town of Oak Bluffs Massachusetts Personnel Policies and Procedures manual attached by reference as Appendix C.



TOWN OF OAK BLUFFS FINANCIAL POLICY MANUAL

SECTION 3:

3) Budget Policy

3.1 Introduction:

Operating and capital budgets are developed on an annual basis to provide a comprehensive plan to deliver services to our residents and visitors. These budgets align the resources with the policy, goals, mission and vision of the Town.

3.2 Budget Policies:

- A. The Town will follow the provisions of the Town By-Laws, included as Appendix B, in drafting, acting and adopting an annual operating budget which includes procedures on the budget submission timeline, budget message, annual policy statement, budget presentation and adoption.
- B. Massachusetts General Laws (M.G.L.) and this policy require annual operating budgets to be recommended to Town Meeting on a balanced basis wherein operating revenues are used to fund operating expenditures and such expenditures do not exceed budgeted appropriations.
 - Operating revenues include property taxes, recurring local estimated receipts and state aid and transfers in from other funds established for recurring operating purposes.
 - Operating expenditures include: personnel costs, ordinary maintenance and operating expenses, and contractual costs. Operating expenditures include debt service previously approved as non-exempt debt.
- C. Recommendation of a balanced budget proposal to Town Meeting shall be done with consideration provided to other areas of the Selectmen's Financial Policies, including, but not limited to: Forecasting Policy; Financial Reserves & Liquidity Policy; Debt Management Policy; and Contingent Liability Policy.
 - The Town will avoid non-recurring revenue sources, including available fund balance and free cash to fund recurring operating expenditures.
 - The annual budget presented will first secure core services and required mandates.
 - Commitments to new wage rate increases and service enhancements can be considered after core services have been secured with recurring revenue.
- D. Where available, one-time or non-recurring revenues that are not restricted by law, contract, or other provision will be used for non-recurring commitments, such as: addition to Town reserve funds; mitigation of contingent liabilities; or supplemental capital costs.
- E. The Town will follow the provisions of the Town By-Laws with regard to a Capital Improvements Plan. These provisions provide for the preparation and content of a 5 year capital improvement plan as well as timelines and process for inclusion in the annual operating budget. In addition, the Town Administrator shall prepare and maintain a 10 year projection of capital borrowing needs.



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- F. The Town's financial offices shall monitor budget status as provided under M.G.L. and Department of Revenue (DOR) guidelines. Budget to actual reports on appropriations and estimated local receipts will be provided to the Selectmen on a quarterly basis at a minimum.
- G. Budget amendments and transfers shall be made as authorized by Town Meeting, as authorized by the Selectmen and/or Finance Committee, or as provided under Town By-Laws provisions or M.G.L.
- H. The Board of Selectmen may establish specific priority budget targets to meet pressing funding needs of the Town and shall communicate these to the Town Administrator and the Finance committee for priority status in establishing the annual budget.



TOWN OF OAK BLUFFS FINANCIAL POLICY MANUAL

SECTION 4:

4) Capital Planning Policy

4.1 Introduction

This policy outlines the guidance for planning, reviewing, and coordinating capital improvements that maintain the Town's infrastructure and value of its capital assets.

4.2 Policies:

The Capital Program Committee, additional information available at the Town's website- <https://www.oakbluffsma.gov/172/Capital-Program-Committee>, prepares an annual Capital Improvement plan and to consult with other Town departments, committees, boards, and individuals regarding Capital Improvement Fund Policy and Debt Policy. The Town Administrator oversees the capital improvement program with the Capital Program Committee using the following guidelines and policies

- A. The Capital Improvement Plan includes capital projects from all Town departments and the Water District although in some cases the capital spending may be governed by boards other than the Board of Selectmen. These projects are for tangible assets or projects estimated to cost over \$25,000 and are expected to have five or more years of useful life. Other projects may be included at the discretion of the Capital Program Committee. Examples may include:
 - Real property purchases, construction, or equipment
 - Major improvements to physical infrastructure
 - Planning or feasibility studies for potential capital projects
 - Bulk purchases of similar items (i.e. furniture or software) whose aggregate total costs exceed the capital threshold and whose life expectancy is five or more years.
- B. To support the Capital Improvement Plan, the Town Administrator or designee, will annually, or more frequently if needed, update and maintain a detailed inventory of all capital assets, which includes dates built, acquired, or improved, original cost, current conditions, remaining lifespan, or other relevant information.
- C. As part of the annual budget process, the Town Administrator will solicit capital project requests from department heads for evaluation. The Town Administrator, with the Capital Program Committee, will then evaluate and prioritize the requests considering, but not limited to, the following:
 - Supports adopted plans or goals
 - Improves public health or safety
 - Stabilizes or reduces operating costs
 - Maintains or improves productivity or standard of service
 - Maintains or extends useful life of asset
 - Becomes required by state or federal law
 - Is supported by outside revenue sources



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- D. The Town Administrator, or designee, updates the five year capital improvement plan and shall include supported data as needed and in collaboration with all town departments and boards. A public hearing about the proposed capital plan is conducted before a final plan is adopted each year.
- E. Capital Improvement projects may be funded by short term or long term debt as may be appropriate. Throughout the year the Finance Director/Town Accountant will monitor active capital project to ensure they remain funded and will report such information to the Town Administrator. The following financial considerations shall be considered, but not limited to, the following:
- Special revenue sources such as grants or trust funds
 - Short term debt may be used to fully finance purchases with useful lifespans of less than 10 years
 - Major capital project may be accomplished through capital or debt exclusions
 - Capital projects for Enterprise funds may be financed through user fees or other cost sharing ratios as agreed and included in the Indirect Cost Allocation.
- F. Close outs of capital projects should occur within six months of completion or discontinuation. As they are closed out, the Finance Director/Town Accountant shall work with the Town Administrator to close out the project in accordance with applicable laws and regulations.
- G. The Capital Program Committee consists of 3 members appointed by the Board of Selectmen, 1 appointed by the Finance and Advisory Committee, 1 appointed by the Planning Board, and the Town Moderator. The Town Administrator is a non-voting ex officio member.



TOWN OF OAK BLUFFS FINANCIAL POLICY MANUAL

SECTION 5:

5) Contingent (Unfunded) Liability Policy

5.1 Introduction:

Defined as “the actuarial calculation of the value of future benefits payable less the net assets available at a given date,” unfunded liabilities represent a significant obligation of governments across the country. For the Town of Oak Bluffs, there are currently two primary unfunded liabilities: Pension benefits and Other Post-Employment Benefits (OPEB).

Pension: the Town participates in the Dukes County Contributory Retirement System in order to administer public employee pensions as required by law. This system operates in accordance with M.G.L and regulations promulgated by the Public Employee Retirement Administration Commission (PERAC). The Association provides for a biennial actuarial valuation to determine the Town’s share of its unfunded pension liability. Additional information on the Dukes County Contributory Retirement System is available at <https://dukesretirement.com/>

OPEB: consists of the Town’s obligation to provide post-employment health insurance to retired employees, currently and in the future. The Town contributes 75% funding to retiree health insurance costs, currently on a pay-as-you go basis. The Town provides for a biennial actuarial valuation to estimate the value of its OPEB liability and participates in the Dukes County Pooled OPEB Trust to pay for these obligations, similar to the pension fund. Although there is no current requirement to fully fund this liability the Town has set aside some funds from one-time sources and continues to provide for annual funding from within the levy, through departmental fee cost recovery, or other methods as they may become available. Additional information on the Dukes County Pooled OPEB Trust is available on the County of Dukes County Website at http://dukescounty.org/Pages/DukesCountyMA_OPEB/OPEBtrust.

5.2 Policy

The Town is committed to funding the long-term cost of the benefits promised to its employees through various available methods.

- A. The Town will endeavor to follow the Commonwealth funding policy of providing for a pension funding schedule through the County retirement association to achieve full funding. This funding will be provided in each annual budget authorization within the fiscal years levy limitations.
- B. The Town’s 5 year operating budget projection and annual budget authorizations will attempt to provide for increasing OPEB funding, within the levy, to narrow the gap between the Town’s annual pay-as-you go amount and its Annual Required Contribution (ARC)
- C. As additional one time financial resources are available after consideration of the Town’s Reserve & Liquidity Policy and other financial needs of the Town, supplemental funding will be provided to contribute to the OPEB Trust Fund.



TOWN OF OAK BLUFFS FINANCIAL POLICY MANUAL

- D. The Town may use levy capacity that becomes available from achieving full funding status of either of the unfunded liabilities, to increase the levy funding of the remaining unfunded liability.
- E. As per the Town Revenue Policy, departmental fees will identify and include OPEB and Pension costs as either direct or indirect cost components to be recovered in the establishment of departmental fees, as appropriate.
- F. The actuarial analyses of the Town's OPEB liability are updated every two years by the Dukes County Pooled OPEB trust and are provided to the Town's auditors for inclusion in the Town's annual financial statements that comply with the current GASB (Governmental Accounting Standards Board) guidelines.
- G. On an ongoing basis the Town will assess health care cost containment measures and evaluate strategies on how best to manage its OPEB liability. The Treasure/Collector will regularly audit the insurance and retiree rolls and terminate any participants found to be ineligible based on work hours, Medicare status, or other applicable factors.
- H. Funding strategies for the OPEB liability may include, but not be limited to:
- End of year transfers to the OPEB Liability expense line item
 - Approved transfers of Free Cash
 - Appropriation of specific revenue resources



TOWN OF OAK BLUFFS FINANCIAL POLICY MANUAL

SECTION 6:

6) Debt Management Policy

6.1 Introduction:

Debt is an effective way to finance capital improvements or to even out short-term revenue flows. For certain capital projects with a long useful life, debt financing is an equitable financing strategy that allows current and future beneficiaries of a capital investment to share in the cost of that improvement. Unlike most personal or private debt, towns have access to capital at very competitive tax exempt rates.

Properly managed debt helps to preserve the Town's credit rating, provides flexibility in current and future operating budgets, and provides the Town with long-term assets that maintain or improve our quality of life.

However, credit rating agencies, consider debt service exceeding 20% of net operating revenues as a potential problem. Dramatic increases in debt service also indicate potential problems unless revenue sources increase to keep pace with these additions to fixed costs. Policies to limit our debt service to appropriate levels should allow for new projects as old capital projects near the end of their useful life and for the growth of revenues to finance new capital needs.

6.2 Policy

With the aforementioned concepts in mind, the Board of Selectmen have adopted, but are not limited to, the following debt management policies, procedures, and guidelines all of which shall be kept up to date and amended as circumstances, such as regulatory changes, technology, and best practices dictate.

- A. The requirements for debt financing shall be an expenditure of at least \$100,000 and a useful life in excess of five (5) years for only those projects not able to be financed from current revenues.
- B. Long-term debt will only be issued for objects or purposes authorized by state law.
- C. The term of long-term debt generally shall not exceed the expected useful life of the capital asset being financed. Long-term debt should not be incurred without a clear identification of its financing sources. State law strictly regulates both the purposes for which cities and towns can borrow and the time periods for which these borrowings can occur.
- D. General Fund debt service, exclusive of debt funded from dedicated revenues raised via voter-approved debt exclusions, will not exceed 10% of General Fund revenues.
- E. The Town will generally maintain a long-term debt schedule in the General Fund so that at least 50% of outstanding principal will be paid within 10 years.



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- F. Debt limits established by law and policy will be monitored and calculated at least once each year and whenever otherwise appropriate.
- G. Selectmen specific General Fund debt management goals subject to change as new circumstances arise:
- H. Enterprise Funds: Some municipal services, such as utilities (i.e. sewers) are activities supported by rate payers and accounted for separately as enterprise funds. These activities typically operate with infrastructure assets which have a very long useful life. Some components of this infrastructure may have life expectancy of at least 50 years. For these activities the following policies apply:
- Analysis of the predictability and reliability of rate revenues will be completed to determine feasibility of supporting repayment of contemplated debt. Enterprise operations should expect to support its own debt service, unless subsidized from the general fund approved as part of the financing mechanism.
 - Given the long-term nature of utility infrastructure investments, long-term debt maturities exceeding those expected for other facilities are permitted. Factors to be considered in this determination should include: cost of borrowing; interest rates; stability and reliability of rate revenue; expected life of the improvement; and taxpayer equity issues.



TOWN OF OAK BLUFFS FINANCIAL POLICY MANUAL

SECTION 7:

7) Disbursement Policy

7.1 Introduction:

To mitigate the risk of fraud and ensure the Town disburses cash only for valid reasons, this policy establishes guidelines for the expenditure of Town funds and applies to all departments, boards, committees, or others who submit requests for expense and payroll disbursements (collectively referred to as Department Heads for this section).

7.2 Policy

Disbursements for Payroll or Accounts Payable (AP) expense shall only occur with the prior review and approval of the appropriate Financial Department employees. Warrants shall be reviewed for accuracy and processed by the Accounting Department. The Town, as a tax-exempt organization, does not pay sales tax on any expense including employee personal reimbursements.

Payroll is reviewed and processed by the Assistant Town Administration and the Treasurer/Collectors Department with copies to the Accounting Department for entry into MUNIS.

More specifically, the following general procedures are followed for AP warrants and Payroll submissions:

- A. Both Payroll and AP warrants are submitted by Department Heads on a bi-weekly basis. The schedule for such submissions is prepared and distributed by the Accounting Department prior to start of the fiscal year.
- B. For Payroll submissions:
 - Department Heads submit payroll to the Treasurer/Collectors department in accordance with approved procedures on approved forms
 - The Treasurer/Collector or designee creates the preprocess file, reconciles it to the department submission, and then creates the final file that is submitted to the payroll service provider (Harpers).
 - A payroll file is kept with the printed Harpers reports and copies of all payroll documents are provided to the Accounting Department for reconciliation and entry into MUNIS
 - The Treasurer/Collector funds the gross payroll plus the Town's portion of Medicare tax and disburses payments by check, bank transfer, or direct deposit
- C. For AP Warrants:
 - Department heads review invoices for appropriateness to pay
 - Departments prepare the warrant on the electronic AP Warrant Voucher which includes Vendor Number, Vendor Name, Invoice Number, and Amount of payment and submits *two executed copies* of the voucher along with the original receipts to the Accounting Department after entering the warrant into MUNIS. Departments should verify the accuracy of the voucher submission total to their



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MUNIS totals and ensure that the MUNIS org and object codes for the expense accounts are correct prior to their submission.

- New Vendors shall be required to submit a W9 to the Accounting department before any payment is processed or released.
- Warrants shall be reviewed and edited for accuracy and processed by the Accounting Department. Expenses must be for legal purposes and funds must be available before payments are made. *DLS City and Town Newsletter dated February 2006* reviews “proper public purposes” that are still relevant and is included as Attachment D.
- The Accounting Department then prints the AP checks and then forwards them to the Treasurer/Collector for execution and distribution. All checks include the statement “Void if not cashed within one year of issuance” either printed or stamped on the face of the check. Accounting also provides the Treasurer/Collector with the positive pay spool files that are submitted to the Bank.
- The Accounting Department also prepares the Warrant Cover Sheet for execution by the Board of Selectmen for every warrant

D. Emergency Distributions:

If there is an emergency or extenuating circumstance where payment must be made to a vendor outside of the normal warrant process, the department head may coordinate with the Accounting Department for payment processing. This should be infrequent and is subject to the sole discretion of the Town Accountant.

E. Prior Fiscal year Bills:

To maintain the integrity of the General Fund annual budget, departments will charge all invoices to the proper fiscal year. In the event a department has an invoice for a prior fiscal year, it shall be submitted at a town meeting to authorize the payment and funding source.

F. Audit and Testing:

All disbursement activity is subject to testing and audit by the Finance Director/Town Accountant or the Town’s independent auditor. The Town is audited on an annual basis and testing of compliance with financial policies and other applicable laws or regulations may occur at any time.

G. Ethics:

All employees are reminded that ethics and avoiding any appearance of impropriety should be a priority for everyone. As many employees may have second jobs, relatives, or business that are used by the Town for various goods or services, they should be cognizant of all state Ethics rules and regulations that may be applicable. Where an appearance of conflict may exist, employees are encouraged to file State Ethics Commission disclosures with the Town Administrator to identify such potential issues so that a determination that the potential interest is not so substantial as to be deemed likely to affect the performance of their official duties. The Procurement Conflict of Interest policy section has information on resources associated with the State Ethics Commission and conflicts of interest.



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SECTION 8:

8) Reserves and Liquidity Policy

8.1 Introduction:

Towns maintain reserves in order to provide budgetary flexibility for unexpected events, to withstand financial emergencies, and to protect the Town from the usual unevenness in revenue and expenditure patterns that occur with changes in economic conditions. It is important that the Town maintain financial flexibility to ensure it is in a position to react and respond to these challenges without incurring significant financial stress.

Reserves may generally be established in three categories:

- Contingency Reserve: A reserve for unforeseen events.
- Restricted Reserve: A reserve dedicated for specific use at some future time.
- Unrestricted Reserve: A reserve that can be used for any purpose.

For example, reserves are created and maintained for several reasons, these include:

- Operational needs – these are contingency reserves (i.e. Finance Committee Reserve Fund) which are typically appropriated as part of the annual budget. The purpose is to meet unexpected increases in departmental operational costs, such as legal fees, major equipment repairs and unanticipated increases in service costs.
- Catastrophic or emergency expenditures – these are contingency reserves which provide emergency funds for use in a major or significant event, such as natural disaster, an uninsured loss or damage to a capital asset.
- Maintenance of assets – these are restricted reserves used to replenish the continuing depreciation or replacement of facilities and equipment.
- Liquidity or cash flow – These are unrestricted reserves used to reduce the need for short-term borrowing, generate investment income and to maintain a strong credit rating.
- Unfunded liabilities – These are restricted reserves used to fund an unfunded liability that has been incurred during the current or prior years, but which does not have to be paid until a future year, and for which adequate reserves have not been set aside. Unfunded liabilities commonly include pension and other post-employment benefit (OPEB) obligations.

8.2 Policy

The Town commits to building and maintaining its reserves so as to have as much flexibility for unexpected events as possible and to also help provide a source of available funds for future capital expenditures or other major expenses. Maintaining positive balances and adequate reserves also positively impacts the Town's credit rating and the associated costs to fund major projects.



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Specifically:

- A. Current operating expenditures will be paid for with current operating revenues.
- B. The Town may establish an operating budget reserve fund, subject to appropriation, not to exceed five percent of the tax levy of the current fiscal year.
- C. Target an Unreserved Fund Balance (UFB) in the General Operating Fund of between 5 – 10% of the general fund operating expenditure budget.
- D. Target a minimum unrestricted Stabilization Fund balance of 5% - 17% general fund operating budget (excluding school assessments) to provide for catastrophic and emergency expenditures, as well as an operating reserve in the event of deteriorating economic conditions and for use in providing liquidity and cash flow. Withdrawals from the general stabilization, when possible, are limited to the amount above the 5% minimum reserve target level. Also, as part of the budget process, specific restricted stabilization funds may be considered to provide resources for the maintenance or acquisition of facilities or equipment in order to reduce borrowing and related costs.
- E. Free Cash, being “the remaining, unrestricted funds from operations of the previous fiscal year including unexpended free cash from the previous year” according to the Division of Local Services (DLS) shall be targeted in the range of 2 to 5 % of the annual general fund budget. This can be accomplished through several methods to include budgets with conservative revenue projections, budget turn backs, or increasing revenues. Furthermore, recommendations for use of Free Cash shall avoid fully depleting the certified Free Cash of any given year so that the succeeding year’s calculation can begin with a positive balance. In general, the use of Free Cash is focused on funding one-time expenditures (such as capital projects, snow and ice deficits, or emergencies), the building of appropriate reserves, or to offset unfunded liabilities.
- F. Retained Earnings for the Waste Water Enterprise Fund, which is maintained separately from the General Fund, shall aim for a reserve of up to 20%, or an amount approved by the DLS, of the operation’s total budget but may be higher if major infrastructure improvements are necessary.
- G. Overlay Surplus is a reserve used to offset uncollected property taxes and other unrealized revenue resulting from property tax abatements and exemptions. At the end of each fiscal year, the Board of Assessors shall submit to the Town Administrator and the Finance Director/Town Accountant, an update of the overlay reserve to include, but not be limited to, the gross balance, potential abatement liabilities, and any transfer to surplus. If the balance exceeds the amount of potential liabilities, the Board of Selectmen may request that the Board of Assessors vote to declare those balances as surplus and available for use by the Town for any lawful purpose.



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SECTION 9:

9) Forecasting Policy

9.1 Introduction:

The Forecasting policy is used to help determine revenue sources and expenditure strategies as part of the annual budget process and longer range fiscal planning.

9.2 Policy

The Town continuously looks to diversify its sources of revenue to improve its overall financial well-being. A balance between elastic and inelastic revenues is desirable to help offset potential adverse effects caused by inflation or other economic changes.

Specifically,

- A. The Town will try to avoid using one-time revenues, such as free cash, overlay surplus, or gifts, to fund ongoing or recurring operating expenditures. However, if they are used for such purposes, the following priority order is used subject to applicable rules, regulations, or laws:
 - Snow and Ice Deficits
 - General Stabilization Fund
 - Other Stabilization Funds
 - Capital Budget expenditures
 - OPEB Trust Fund
 - Other expenditures
- B. The Assessing Department will maintain property assessments for the purpose of taxation at full and fair cash value as prescribed by state law.
- C. Departments that charge fees will regularly review their fee schedules and propose adjustments as needed.
- D. The Town Administrator and other Department Heads shall seek grants and other aid as may be appropriate and will carefully consider any related restrictive covenants or matching requirements (both dollar and in-kind) to determine the cost benefit of pursuing or accepting them.
- E. Revenue estimates may be adjusted throughout the process as they become available
- F. The Waste Water Enterprise shall strive to operate with a Balanced Budget (revenues matching expenses) or at a Budgeted Surplus (revenues exceeding budgeted expenses) to minimize any potential General Fund subsidies.



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- G. The Town Administrator creates a detailed budget forecast which may include a five year projection of revenues and expenditures for all operating funds. The ensure that the Town's revenues are balanced and capable of supporting desired levels of services, forecasts for property taxes, local receipts, and state aid will be conservatively based on historical trend observations and will use generally accepted forecasting techniques and appropriate data. To avoid potential revenue deficits, estimates for local receipts are generally forecast at no more than 90% of the prior year's actual collections without substantial justification.
- H. Additional forecasting assumptions should include, but not necessarily be limited to, the following:
- Current levels of services will provide the projected baseline
 - Property taxes (absent overrides) will grow at the limits of Proposition 2 ½.
 - New growth will be projected conservatively
 - Local receipts and state aid will reflect current and anticipated economic cycles
 - Debt service on existing debt will be paid
 - Revenues will be built and maintained in accordance with the Financial Reserve policy
 - The Waste Water Enterprise fund will reimburse the general fund for indirect costs.
 - Costs that can be appropriately paid for by other approved funds shall be or costs that can be appropriately allocated to those funds will be reimbursed as provided for by rules, regulations, or law.



TOWN OF OAK BLUFFS FINANCIAL POLICY MANUAL

SECTION 10:

10) Grant Management

10.1 Introduction:

The Town's best interests are served through effective grant management to assure timely reimbursements and help prevent year-end account deficits. Also, as a legal contract, every grant agreement must be fulfilled in accordance with its prescribed terms and conditions, as well as all applicable federal, state, and local regulations as they may apply.

10.2 Policy

All departments are encouraged to solicit grant funding for projects and programs consistent with their stated objectives and the Town's goals. All municipal grant applications in excess of \$5,000 must receive preapproval by the Town Administrator to ensure that the department can meet the requirements of that grant which may include, but not be limited to, having sufficient staff, having sufficient resources to meet in-kind requirements, or retention/maintenance requirements.

Specifically,

- A. Copies of the Grant and the Grant Award must be provided to the Accounting Department prior to any receipt of funds. No department shall be allowed to expend grant funds until these requirements have been met. A MUNIS account will be established for each grant so that a complete and comprehensive detailed record of all receipts and expenditures can be maintained.
- B. The Town Administrator may forward the grant application to Town Council for a legal review
- C. The Grant Project Manager (may be the department head, Town Administrator, or other designated individual) is required to ensure that all expenditures are allowable and consistent with the grant award's requirements.
- D. Reimbursements shall be made as often as needed or in accordance with the grant guidelines to minimize the use of Town funds. Unless otherwise coordinated grant accounts should not have deficit balances as of June 30 of any year.
- E. Grant accounts should be closed as soon as practicable after the completion of the project. Grant accounts should not have deficits upon closing; however, if a grant account has been over-expended the expense will be applied to either the operating budget or an appropriation from another available/appropriate fund or funds.
- F. All grant activities are subject to audit by the Grantors, the Accounting Department, and the Town's independent auditor.



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SECTION 11:

11) Indirect Cost Allocation Policy

11.1 Introduction:

The Town of Oak Bluffs has one Enterprise Fund, the Waste Water Treatment Facility, where the fund is used to separately account for the municipal service of a proprietary nature, in this case Sewer services, and those services provided to individual customers are charged in a manner similar to private services.

11.2 Policy

MGL 44 §53F½ and IGR 08-101 has been used to develop the internal practices and operational policies herein which shall be kept up to date and amended as circumstances, such as regulatory changes, technology, and best practices dictate. The Waste Water Enterprise Fund has been established with the intent of being self-sufficient and the WWTF Commissioners set fees and charges based on costs to be recovered (including capital costs, indirect costs, debt service, etc.)

Specifically, the Waste Water Enterprise Fund as a department shall

- A. Submit its budget to the local executive (our Accountant or Town Manager) no later than 120 days prior to the beginning of the fiscal year (our WWTF usually submits in accordance with the schedule as established for all Town Departments)
- B. Revenue sources and appropriations must be clearly identified
- C. Expenses appropriated in the General Fund MUST NOT be included in the Enterprise Fund appropriation (no double booking)
- D. The budget is subject to appropriation (same as Town Departments)

11.3 Enterprise Fund Indirect Cost Allocation Calculation

In accordance with MGL 44 §53F½:

Indirect costs should be clearly set forth when the budget is adopted to avoid disputes later in the fiscal year. Ideally, it should be set forth in writing. Resolution of any disagreement is purely a local matter. The Director of Accounts may request documentation of the methodology and may reject if and/or the amount for tax rate certification purposes if deemed unreasonable.

Indirect costs are those incurred by the General Fund on behalf of the Enterprise Fund and include, but is not limited to, Pension, Life Insurance, Health Insurance, Vehicle Insurance, Property Insurance, Unemployment, Workers Comp, Medicare, Legal services, Procurement, Personnel expenses, etc.

The methodology for determining Indirect Costs should be reasonable and calculated in a fair and consistent manner. The specific methodology is included as Appendix E.



TOWN OF OAK BLUFFS FINANCIAL POLICY MANUAL

SECTION 12:

12) Investment Policy

12.1 Introduction:

To achieve the highest possible, prudent, and reasonable rates of return, while also complying with appropriate GASB recommendations, the Town has established the following investment policy.

12.2 Policy

The Treasurer/Collector invests funds in a manner that meets the Town's cash flow requirements, conforms to applicable laws, and follows generally accepted diversification, collateralization, and prudent investment principles regarding safety, liquidity, and yield. The Treasurer/Collector shall also comply with the principles outlined in the Investment Policy Statement published by the Massachusetts Collectors & Treasurers Association (MCTA).

Specifically,

- A. To preserve capital, the Treasurer/Collector will mitigate credit and interest rate risks by prudently selecting and diversifying investment instruments and depository choices.
- B. The investment portfolio should remain sufficiently liquid to meet all reasonably anticipated operating requirements without having to liquidate investments prematurely.
- C. To manage credit risks, the guidelines from MCTA should be adhered followed.
- D. To mitigate custodial risks, the Treasurer/Collector should review any financial institutions proven financial strength, capital adequacy, and overall reputation prior to any investment with that firm.
- E. To minimize concentration of credit risk a diversified investment portfolio should be maintained to minimize the impact of potential losses from any one type of security or firm
- F. To minimize interest rate risk the portfolio should invest in instruments of various durations.
- G. The Fin Comm may periodically review various practices and policies and make recommendations to the Treasurer/Collector for consideration regarding the Investment Policy of the Town.



TOWN OF OAK BLUFFS FINANCIAL POLICY MANUAL

SECTION 13:

13) MUNIS Access Policy

13.1 Introduction:

The Town maintains its financial records using MUNIS and access to such system must be controlled for all employees as they are hired, change positions within the Town, leave the Town's employment, or are terminated.

13.2 Policy

Upon the hiring, change of status, resigning, or termination of an employee, the following process should be followed:

- A. Human Resources (HR), as the department that manages all of the hiring, changes, and terminations of employees, shall complete the MUNIS Access Authorization Form, attached as Appendix F, for all new hires and forward a copy to IT and Accounting so that a new account can be created for that employee
- B. Human Resources (HR) shall complete the MUNIS Access Authorization Form for all suspensions, resignations, and terminations and forward a copy to IT and Accounting so access to any existing account can be discontinued.
- C. Department Heads shall complete the MUNIS Access Authorization Form for requested changes in access and forward a copy to IT and Accounting for updating.
- D. The Finance Director/Town Accountant, or their designee, shall annually review, normally in December, all of the MUNIS users to ensure that the list is current and report any issues or discrepancies to IT and HR.



TOWN OF OAK BLUFFS FINANCIAL POLICY MANUAL

SECTION 14:

14) Procurement Conflict of Interest Policy

14.1 Introduction:

The Town has established the Procurement Conflict of Interest policy to ensure the integrity of the procurement and contract process and educate individuals on the process of Procurement and the screening of potential conflicts of interest.

14.2 Policy

The Town is committed to ethical business practices, profession integrity, and compliance with all applicable procurement laws and regulations. Where there may be a conflict between the policy and M.G.L. 30b the provisions of the state law shall be followed.

- A. To comply with the state's Uniform Procurement Act (M.G.L. 30b), as amended in 2016, purchases for supplies or services between \$10,000 to \$50,000, unless an exception applies, requires the solicitation of three written quotes for contracts and those over \$50,000 require competitive sealed bids.
- B. A quote or bid process is not required when procuring supplies or services from vendors that are under state contracts or involved in regional cooperative purchasing agreements.
- C. The process for conducting a proper RFP (Request for Proposal), RFQ (Request for Qualifications) or Bid for Services/Supplies as well as the Chapter 30B Manual is available on the Mass.gov Office of the Inspector General website.
- D. To ensure decisions are made independently and impartially, Town employees and officials are expected to avoid any conflicts of interest or the appearance of one. A conflict of interest or the appearance of one must be disclosed to the Town and that individual may not participate in the process unless a written determination from the State Ethics Commission noting that the interest is not so substantial as to be deemed likely to affect the integrity of the goods or service that the Town may expect from that individual is received.



TOWN OF OAK BLUFFS FINANCIAL POLICY MANUAL

SECTION 15:

15) Reconciliation Policy

15.1 Introduction:

To ensure transactions are in balance, to help mitigate fraud, and to ensure general ledger accuracy, a variety of reconciliations are conducted. Failure to reconcile items such as Cash, Receivables, Payables, and Withholdings impinges the Town's ability to produce reliable reports, close the books, complete audits, and certify Free Cash as well as having other negative impacts upon the financial stability and reporting of the Town.

15.2 Policy

Internal reconciliations to facilitate the accuracy of the Town's financial records include:

- A. Cashbook:
- A Cashbook which reflects current and accurate information for all cash and assets is maintained by the Treasurer/Collector.
 - Receipts, disbursements, transfers, interest, and other activity in the accounts is generally recorded in both the Cashbook and MUNIS within 5 days of the transaction occurring.
 - Reconciliations between the Cashbook and the Bank statements generally occur within 5 days of receipt of the statement.
 - The Treasurer/Collector or designee identifies all reconciling items, including deposits in transit, bounced and voided checks, and any other discrepancies to make corrections as appropriate.
 - The Treasurer/Collector or designee forwards the reconciled Cashbook balances with the supporting detail from Quicken to the Finance Director/Town Accountant as appropriate for reconciliation with the General Ledger.
 - The Town Accountant shall advise the Treasurer/Collector of any discrepancies or adjustments that are discovered.
 - This reconciliation normally occurs on a monthly basis but should occur no less than Quarterly (quarters ending September, December, March, and June).
- B. Payroll Withholdings:
- Payments for withholdings and deductions, such as federal and state taxes, legal obligations, deferred compensation, insurances, dues, or other deductions, are automatically issued through Harpers Payroll Services.
 - The Treasurer/Collector, as noted in the MCTA Treasurers Manual, should reconcile payroll deductions monthly to make certain that the amount deducted from individual employee checks equals the aggregate amount transmitted to the respective agencies or groups.
- C. Accounts Receivable (AR):
- Accounts Receivable are outstanding monies owed to the Town such as committed bills (i.e. taxes and excises) or from uncommitted department invoices



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(department details.) Any individual with accounts receivable duties should make certain that all cash receipts are recorded timely, maintain detailed records of the receivables, and reconcile those accounts on a regular basis to their department records.

- Individuals with AR duties shall also provide their internal reconciliations to the Accounting office for reconciliation to the general ledger on the schedule as noted below unless otherwise requested/coordinated by the Accounting Office:
 - Tax AR: Monthly
 - Police Details: June and December or as requested/coordinated
 - Other Dept. Details: June and December or as requested/coordinated
 - Chapter 90: June or as requested/coordinated
 - School (All Accounts): June and requested/coordinated
 - Other Accounts: June and requested/coordinated

D. If any AR account does not reconcile with the general ledger, the Finance Director, Town Account or designee will:

- Review the commitments, charges, payments, abatements, refunds, reclassifications, and other adjustments in the general ledger.
- Verify the accuracy of the entries
- Determine and document the reason for any variance and take corrective action as needed.

E. All activity related to tailings is subject to audit by the Accounting department and/or the Town's independent auditor.



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SECTION 16:

16) Revenue and Turnover Policy

16.1 Introduction:

To safeguard Town assets and maximize cash flow receipts shall be turned over on a regular basis and the established policies aim to provide reasonable assurance that the Town's revenues are properly and timely secured, recorded, and deposited in Town bank accounts.

16.2 Policy

All department heads are responsible for instituting and using internal controls to ensure that all receipts are recorded accurately, kept secure from loss or theft, and turned over timely to the Treasurer/Collector at least weekly or more frequently if needed.

Specifically

- A. When receiving payments, pre-numbered or automated receipts should be generated and issued to the payer even if they prefer not to have one. The Treasurer/Collectors office receiving taxes and other collections need only issue receipts for cash payments. All receipts should be secured until such time as they are turned over to the Treasurer/Collector.
- B. Each department should, to the extent practicable, identify separate individuals to receive and endorse payments, record the payments in MUNIS, and turnover the receipts.
- C. The Town of Oak Bluffs Turnover of Department Payments to the Treasurer form is completed by each department separating cash from checks, using the correct charge codes, and checked for accuracy before being presented to the Treasurer/Collectors office
- D. The Treasurer/Collector's office double checks the accuracy of the turnover and fills out and executes the bottom of the form.
- E. The Treasurer/Collector's office reviews the MUNIS postings, turnover documents and receipts, posts the receipts in the Cashbook, creates a deposit package, and deposits the revenues at the bank.
- F. As part of the Town's Reconciliation Policy, the Treasure/Collector reconciles the cashbook with bank statements and provides a summary of cashbook balances to the Accounting department on a monthly basis.
- G. All cash activity is subject to testing and review by the Accounting department and/or the Town's independent auditor.



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SECTION 17:

17) Tailings Policy

17.1 Introduction:

To minimize the liability posed by uncashed checks and the associated negative impact of cash positions the timely resolution of tailings is required.

17.2 Policy

Tailings refer to issued but uncashed checks which represent a liability on the Town's books and constitute unclaimed property under M.G.L.

Specifically,

- A. Accounts Payable checks are marked "Void if not cashed within one year of issuance" on the face of the check.
- B. The Treasurer/Collector and Town Accountant work together on a regular basis to resolve accumulated tailings.
- C. The Treasurer/Collector maintains an outstanding check log and this is reviewed on a periodic basis so that the Treasurer/Collector, Accounting, or the department can contact employees or vendors as may be appropriate to determine why the check is uncashed.
- D. On an annual basis, the Treasurer/Collector reviews the accumulated tailings and does the following, or as prescribed by M.G.L.:
 - Lists the unclaimed checks on the Town's website for a minimum of 60 days under the heading of "Notice of names of persons appearing to be owners of funds held by the Town and deemed abandoned." This posting includes the payee names, the process to claim funds, and establishes the deadline for claims.
 - This list is also published in at least one of the two local newspapers with the same information as the website.
 - After such deadlines have passed, the list of unclaimed property is provided to the Accounting department so that the checks can be voided and the tailing liability in the general ledger updated.
- E. All activity related to tailings is subject to audit by the Accounting department and/or the Town's independent auditor.



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SECTION 18:

18) Tax Enforcement Policy

18.1 Introduction:

To provide guidance for equitably enforcing tax obligations and setting appropriate expectations for all parties, the following policy defines the transition from unpaid property taxes to tax title to foreclosure.

18.2 Policy

To fulfill its fiduciary duties to all taxpayers, the Town shall timely pursue all legal methods to collect taxes from delinquent property owners.

Specifically,

- A. Demands are issued at the end of the fiscal year to all assessed property owners who have failed to pay in full, have not been granted full exemptions, and/or do not have automatic stays on record due to bankruptcy filings.
- B. If full remittance is not received, the Treasurer/Collector publishes a Notice of Tax Taking in at least one of the two local papers and also posts the notice in the public notice area of the Town Hall.
- C. For properties that remain delinquent, the Treasurer/Collector prepares an Instrument of Taking form and records it at the Registry of Deeds to perfect the Tax Lien. A copy of the List of Recorded Takings is provided to the Accounting department.
- D. After the demand bill and before June 15th of each year, the Treasurer/Collector will certify all unpaid taxes and charges for real estate taken into tax title for non-payment of taxes and put them in a Subsequent Tax Takings lists. A copy of the list is provided to the Accounting department.
- E. All delinquent taxpayers are subject to charges, which the Treasurer/Collector will add to their accounts. These include interest accrued to the date of tax taking, advertising fees, certified mailing costs, legal fees, and all recording fees.
- F. Tax Title Payment Agreements may be pursued and established by the Treasurer/Collector and delinquent taxpayers to allow for the payoff of their liens over time. The Treasurer/Collector will actively monitor compliance of all such agreements. These agreements generally contain the following:
 - An executed agreement between the Treasurer/Collector and the Taxpayer
 - A specific amount to be paid each month
 - Incorporation of payments for the current tax bill
 - Agreement term not to exceed five years



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- G. The primary goal of the Foreclosure process is to receive the outstanding amounts owed. For tax title properties that are not active, have payment agreements, or bankruptcy recordings, the Treasurer/Collector will referring them to the tax title attorney in accordance with all applicable rules, regulations, or laws. If a taxpayer or other party pays the outstanding amount, the Treasurer/Collector prepares and Instrument of Redemption and files it at the Registry of Deeds to remove the lien.
- H. In addition to Land Court foreclosure referrals, the Treasurer/Collector is responsible for completing foreclosures on any properties below the “Land of Low Value” threshold which is annually updated each spring the DLS.



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SECTION 19:

19) Tax Recapitulation Policy

19.1 Introduction:

As the property tax levy is the largest source of revenue for the Town, timely and accurate annual Tax Recapitulation, or Tax Recap, helps ensure compliance with state statutes, prevents workflow disruptions in the financial offices, and avoid any potential temporary borrowing costs associated with cash shortfalls.

19.2 Policy

The tax recap forms and schedules present the Town's annual budget plan for the fiscal year and by completing the tax recap and receiving approval from DLS, the town can establish its property tax levy and set the tax rate for the year. The Town may issue actual tax bills only after DLS reviews the tax recap and approves the tax rate.

- A. Town Meeting- The Recap process starts at Town Meeting where the following actions are accomplished:
- The Board of Selectmen, through the Town Administrator and Town Counsel, produces the town meeting warrant that includes the next fiscal year's annual balanced budget for approval by vote of the taxpayers in attendance.
 - The annual increase in the tax levy presented does not exceed the maximum amount allowed under Proposition 2 ½ unless an override is required.
 - The Board of Selectmen, through the Town Administrator, Town Counsel, and other Department Heads as appropriate, ensure that any proposal for a general override, debt exclusion, or capital exclusion is properly presented in the town meeting warrant and, if passed, put to a town-wide referendum.
 - The Town Administrator, Treasurer Collector, and Town Counsel will ensure any debt issuance authorizations are proper
 - Additionally, as the budget is typically adopted at the annual town meeting in April, all appropriations and borrowings approved at this or other town meetings not recorded in the previous tax rate must be included in the current tax recap process.
- B. Recording Legislative Actions:
- The Town Clerk certifies all appropriations since the last tax rate was set
 - The Town Clerk and/or the Accounting Department will enter all town meeting appropriation votes by article into the DLS Gateway system
 - The Finance Director/Town Accountant also completes the following forms:
 - Enterprise receipts and appropriations (A-2)
 - Revolving Funds (A-3)
 - Free Cash used (B-1)
 - Available funds used (B-2)
 - Indirect costs for the Waste Water Enterprise fund (A-2 part 2b)



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- The Treasurer/Collector and/or Finance Director/Town Accountant will prepare the debt exclusion report, including any use of reserved bond premiums (DE1) and report any reserved bond premium amounts used as funding sources (B-2).
- C. At the Close of the Fiscal Year:
- When the figures are available, the Finance Director/Town Accountant continues the recap by
 - identifying and reporting all deficits or other expenditures that must be funded including debt and snow and ice (Tax Recap pg. 2)
 - recording the actual amounts for local receipts (Tax recap pg. 3 and A-2)
 - enters estimated local receipts (Tax recap pg. 3 and A-2)
- D. Property Value Certification:
The Assessors must value all taxable real and personal property and classifies each property into four classes (residential, open space, commercial/industrial, or personal and completes the following actions which are then submitted to DLS for review and certification:
- Completes the property sales report (LA-3) for all sales over \$1,000 and submits it to DLS for approval
 - Analyzes current market conditions and sets final property values in compliance with DLS certification standards.
 - Reports the total assessed valuation for real and personal property by class (LA-4 and Tax Recap pg. 1)
 - Reports the fiscal year tax base growth used to determine the levy limit under Proposition 2 ½ (LA-13 and Levy Limit Worksheet)
 - Update an omitted or revised assessments that included growth (LA13A and Levy Limit Worksheet)
- E. Tax Rate Setting:
After DLS has certified property values, the Board of Selectmen hold a public hearing to decide tax policy. For this meeting the following is completed:
- The Assessing and Accounting departments prepare an overlay analysis (OL-1)
 - The Board of Assessors estimates and votes the amount of overlay
 - The Board of Selectmen vote on exemptions
 - The Board of Selectmen acknowledge the excess levy capacity (LA-5)
 - The Town Clerk attest to notice having been given to taxpayers regarding the public hearing (LA-5)
- F. Submission to DLS:
Subject to the completion of all of the required elements, the Assessor and the Finance Director/Town Accountant review all of the schedules, verify signatures, and verify that all proper documentation is attached to the DLS forms.
- G. Tax Commitment Creation:
Upon notification from DLS that the tax rate is approved, the Assessor will create a tax commitment list and warrant duly signed by the Board of Assessors and refers it to the Treasurer/Collector so that the actual tax bills can be generated.



TOWN OF OAK BLUFFS FINANCIAL POLICY MANUAL

SECTION 20:

20) Town Credit Card Policy

20.1 Introduction:

As an alternative payment method to enhance the Town's flexibility for purchasing various goods and services, in accordance with all applicable procurement rules, regulations, and laws, the Town provides a credit card, P-Card, to select employees for use to meet the certain departmental needs.

20.2 Policy

In order to ensure the best benefit to the Town, the following procedures are established for the use of an issued P-Card

- A. The individual issued the P-Card is responsible for the security and proper use of the P-Card. All theft or lost cards must be immediately reported to the Accounting department.
- B. The individual will be personally responsible for any charges they make that are disallowed by the Accounting department as fraudulent, unlawful, or excessive.
- C. The individual must ensure that the P-Card payment is processed in full each payment cycle and that a proper a/p warrant with all receipts has been prepared.
- D. P-Cards may only be used for legitimate Town purposes and may not be used for (and this list is not all inclusive):
 - Cash
 - ATM transactions
 - Checks
 - Gift Cards
 - Personal use or Personal items
 - Alcohol or Tobacco
 - Legal Services
- E. Use by other employees for Town purposes may be approved on the individuals P-Card through a one-time use function (for example-air fare for approved travel or securing lodging). All of the other conditions and restrictions are still applicable.
- F. The issuance and continued use of the P-Card is subject to the sole discretion of the Finance Director/Town Accountant.
- G. All use of the P-Card is subject to testing and audit by the Finance Director/Town Accountant and the Town's independent auditor.



TOWN OF OAK BLUFFS FINANCIAL POLICY MANUAL

SECTION 21:

21) Town Reimbursement Policy

21.1 Introduction:

To mitigate opportunities for fraud, waste and abuse, reimbursement policies have been established to govern reimbursement policies for town official and employees.

21.2 Policy

Unless otherwise provided for by specific contract, the Town reimburses officials and employees for reasonable expenses incurred in the execution of their duties on behalf of the Town.

Specifically,

- A. Travel reimbursements are provided for activities that relate to a public benefit such as training, professional conferences, or other municipal related activities.
- B. Travel shall be planned to use the most economical mode and class of transportation reasonably available and the most direct and time-efficient route. If reimbursement is made in advance, at the sole discretion of the Accounting department, for attendance at training, conferences, workshops, etc. and attendance is not completed for any reason, reimbursement to the Town for those related expenses may be required.
- C. The Town will not reimburse or pay sales tax but will pay meals and room excise taxes. Meals that are deemed to be excessive may be reimbursed at a lower more reasonable amount at the sole discretion of the Accounting department. Tips for meals will not be reimbursed for any amount over 20%
- D. The following expenditures will not be reimbursed under any circumstances:
 - Alcohol and tobacco products
 - Costs associated with political or charitable events
 - Expenses incurred by or on behalf of individuals who are not Town employees
 - Expenses incurred for the sole benefit of the traveler such as entertainment, laundry services, etc.
- E. If lodging is required, the Town will reimburse for only one night preceding authorized travel and expenses must not exceed the group rate published by the conference or activity sponsor.
- F. Travel expenses must be documented and receipts provided for reimbursements to be processed. The mileage rate for the use of personal vehicles for official travel in the most current rate approved by the Internal Revenue Service (IRS).
- G. Unless otherwise coordinated, reimbursements should be made within 30 days of the incurrence of the expense.



TOWN OF OAK BLUFFS FINANCIAL POLICY MANUAL

- H. The Finance Director/Town Accountant may refuse to pay any claim that is deemed to be fraudulent, unlawful, or excessive. If a claim is refused, the Finance Director/Town Accountant will file a written statement of the reason for refusal with the Treasurer/Collector.
- I. All expenses are subject to verification that they comply with this policy and to audit by the Town's independent auditor.

WORK IN PROGRESS



TOWN OF OAK BLUFFS FINANCIAL POLICY MANUAL

SECTION 22:

22) Year End Closing Policy

22.1 Introduction:

As part of the annual accounting cycle, the Town must properly close its books after each fiscal year and failure to adhere to a timely schedule may result in delays in accounting workflow, budget development, state required reporting, and certification of Free Cash.

22.2 Policy

Department heads are responsible and accountable for the timely and accurate completion of year end tasks. Coordination between the departments and the Accounting office is essential for the timely closing of the Town's books.

- A. Monthly reviews and reconciliations of revenue and expenditure accounts should be occurring on a regular basis with reports of discrepancies reported to the Accounting department
- B. No later than April, a year-end reminder letter from the Accounting department will be sent to all departments to remind them of the year-end expectations.
- C. In April, a review of all capital project accounts will be performed to ensure that any necessary borrowing is completed for short or long term debt issuances.
- D. In May, any appropriation deficits that may not be rectified through line item transfers as authorized by Town By-laws will be submitted to the Fin Comm and Board of Selectmen for transfer authorizations.
- E. In June, all departments should be keeping track of their purchases for goods and services so that an accurate notification of pending obligations (year-end encumbrances) for goods and services ordered by not yet received or delivered can be provided to the Accounting department. Departments should endeavor to have no encumbrances.
- F. All current fiscal year bills must be presented for payment to the Accounting office no later than the date identified in the accounts payable schedule or as advised by the Accounting office so that they may be paid no later than July 15. Bills received after the deadline will be refused payment and the Department Head will have to request payment at a subsequent town meeting.
- G. Submissions to the Division of Local Services (DLS) should comply with the time frames identified the DLS.



TOWN OF OAK BLUFFS FINANCIAL POLICY MANUAL

SECTION 23:

23) School Student Activity Fund

23.1 Introduction:

As part of the annual accounting cycle, the Town must properly close its books after each fiscal year and failure to adhere to a timely schedule may result in delays in accounting workflow, budget development, state required reporting, and certification of Free Cash.

WORK IN PROGRESS



TOWN OF OAK BLUFFS FINANCIAL POLICY MANUAL

Appendix A Reference List

Antifraud Policy:

- M.G.L. c 149, §185
- COSO (Committee of Sponsoring Organizations) <https://www.coso.org/>
- Government Finance Officers Association Best Practices: Whistleblowing

Budget Policy:

- Massachusetts Division of Local Services (DLS) Best Practices: Annual Budget Process in Towns
- Government Finance Officers Association Best Practices: Recommended Budget Practices, Financial Forecasting in the Budget Preparation Process, Budget Monitoring

Capital Planning Policy:

- M.G.L. c 44, §20
- M.G.L. c 44, §33B
- DLS Best Practices: Presenting and Funding Major Capital Projects
- Government Finance Officers Association Best Practices: Capital Planning Policies

Contingent (Unfunded) Liabilities Policy:

- Vote at Annual Town Meeting April 12, 2011 to unanimously accept the provisions of H4105 "An Act Authorizing the Government Employers in the County of Dukes County to Establish A Pooled Other Post-Employment Benefits Trust Fund
- M.G.L. c 44, §33B

Debt Management Policy:

- M.G.L. c 41 & 44
- DLS Best Practices: Understanding Municipal Debt
- DLS Borrowing Guidelines: Asset Useful Life – Borrowing Limits
- DLS Informational Guideline Releases 17-21: *Borrowing* and 17-22: *Premiums and Surplus Proceeds for Proposition 2½ Excluded Debt*
- Government Finance Officers Association Best Practices: Debt Management

Disbursement Policy:

- M.G.L. c 41, 44, & 30B
- DLS City & Town Newsletter dated February 2006 (included as Appendix D)

Financial Reserves and Liquidity Policy:

- M.G.L. c 41, 44, & 59
- DLS Best Practices: Free Cash and Special Purpose Stabilization Funds
- DLS Best Practices: Reserve Policies



TOWN OF OAK BLUFFS FINANCIAL POLICY MANUAL

- DLS Departmental Procedure Manual: Enterprise Funds
- DLS Informational Guideline Releases 17-20: Stabilization Funds and 17-23: Overlay and Overlay Surplus
- Government Finance Officers Association Best Practices: Fund Balance Guidelines for the General Fund and Working Capital Targets for Enterprise Funds

Forecasting Policy:

- M.G.L. c. 44
- DLS Best Practices: Revenue and Expenditure Forecasting
- Government Finance Officers Association: Establishment of Strategic Plans, Long Term Financial Planning, Financial Forecasting in the Budget Preparation Process

Grant Management Policy:

- M.G.L. c 40, 41, & 44
- DLS Best Practices:
- Government Finance Officers Association Best Practices: Establishing an Effective Grants Policy and Grants Administration

Indirect Cost Allocation Policy:

- M.G.L. c 149, §185
- Government Finance Officers Association Best Practices: Indirect Cost Allocation

Investment Policy:

- M.G.L. c 29, 44, 167, & 203C
- Government Finance Officers Association Best Practices: Investment Policy

Procurement Conflict of Interest Policy:

- M.G.L. c 41, 268A, & 30B
- State Ethics Commission webpage: Disclosure Forms for Municipal Employees

Reconciliations Policy:

- Division of Local Services (DLS) Best Practices: Reconciling Cash and Receivables
- Massachusetts Collectors & Treasures Association: Treasurer's Manual and Collector's Manual

Revenue Turnover Policy:

- M.G.L. c 41 & 44
- Massachusetts Collectors & Treasures Association: Treasurer's Manual and Collector's Manual
- Government Finance Officers Association Best Practices: Revenue Control Policy

Tailing Policy:

- M.G.L. c 200A



TOWN OF OAK BLUFFS FINANCIAL POLICY MANUAL

- Massachusetts Collectors & Treasures Association: Treasurer's Manual

Tax Enforcement Policy:

- M.G.L. c. 60
- DLS Best Practices: Enforcing Collections
- Massachusetts Collectors & Treasures Association: Treasurer's Manual and Collector's Manual

Tax Recap Policy:

- DLS Training Publication: New Officials Financial Handbook and Course 101 Handbook
- DLS Best Practices: Overrides and Exclusions
- DLS Best Practices: Revenue and Appropriation Deficits

Town Reimbursement Policy:

- M.G.L. c 41, 44 & 268A
- DLS City & Town Newsletter dated February 2006 (included as Appendix D)

Year-End Closing Policy:

- M.G.L. c 44 & 59
- DLS Informational Guideline Releases 17-13: Appropriation Transfers
- Massachusetts Modernization Act of 2016
- Government Finance Officers Association Best Practices: Timely Financial Reporting

Other General Valuable Resources:

- GASB 34 Guide for Massachusetts Local Governments
- DLS Municipal Finance Glossary
- Massachusetts Department of Elementary and Secondary Education
<http://www.doe.mass.edu/>
- DLS-A Manual for the Uniform Massachusetts Accounting System, July 2014
- Municipal Modernization Act FAQs-DLS City & Town Newsletter dated October 6, 2016



TOWN OF OAK BLUFFS FINANCIAL POLICY MANUAL

Appendix B Town of Oak Bluffs By-Laws

The By-Laws contained herein are provided as a reference but may not include the most recent changes approved. The most current copy of all applicable By-Laws is available by contacting the Board of Selectmen's office during normal working hours



TOWN OF OAK BLUFFS FINANCIAL POLICY MANUAL

Appendix C Town of Oak Bluffs Personnel Policies and Procedures

The Personnel Policies and Procedures contained herein are provided as a reference but may not include the most recent changes approved. The most current copy of all applicable personnel related documents is available by contacting the Assistant Town Administrator during normal working hours or on the Town of Oak Bluffs website at

<https://www.oakbluffsma.gov/243/Personnel-Board>

or

<https://www.oakbluffsma.gov/158/Personnel-Department>



**TOWN OF OAK BLUFFS
FINANCIAL POLICY MANUAL**

Appendix D

Copy of DLS City & Town Newsletter dated February 2006

Proper public purchases

WORK IN PROGRESS



**TOWN OF OAK BLUFFS
FINANCIAL POLICY MANUAL**

Appendix E

Detailed Methodology for the determination of

Waste Water Enterprise Fund

Indirect Cost Allocation

WORK IN PROGRESS



TOWN OF OAK BLUFFS FINANCIAL POLICY MANUAL

Appendix F- MUNIS Access Form

This form is filled out by HR upon the hiring, change of status, resigning, or termination of an employee. The form is reviewed and also executed by Accounting for concurrence and then a copy is forwarded to IT for execution of the request.

Employee Information:	
Name	
Department	
Position	
MUNIS User ID	

Access Authorization:			
Add user		Change Status	
Effective Date:			
Reason/Notes/Comments (additional details regarding request as needed):			

Access Permissions:			
Staff Level		Dept Head Level	
Management Level		Accounting/IT Level	
<i>Special Permissions required:</i>			
Permission		Justification	
Permission		Justification	
Permission		Justification	

Signatures:			
	Print Name	Signature	Date
HR			
Accounting			



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Request for Proposal
Town of Oak Bluffs
Feasibility Design Services
Town Hall

The Town of Oak Bluffs invites proposals from qualified design firms for design services for a Feasibility Design for its Town Hall Facility. Qualified designers with a minimum of five years of experience in municipal Town Offices design may obtain copies of the RFP Monday-Friday from 8:30 AM- 4 PM at the Office of the Town Administrator, 56 School Street, Oak Bluffs or request by calling the Office at 508-693-3554. A briefing session will be held at the Town Hall on Friday _____, 2019 at 100 PM. Proposals must be submitted by 3:00 PM on Friday, _____, 2019 to the Town Administrator's Office, 56 School Street, Oak Bluffs or by mail to Town Administrator's Office, Town of Oak Bluffs, PO Box 1327, Oak Bluffs, MA 02557. The fee will be negotiated with the selected designer. Town may reject any and all proposals.

Robert L. Whritenour, Jr.
Town Administrator



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REQUEST FOR PROPOSAL (RFP)
Oak Bluffs Town Hall Feasibility Design

I. OBJECTIVE OF THIS RFP

The Town of Oak Bluffs is soliciting proposals and statements of qualifications for the feasibility design of a Town Hall facility.

II. PROJECT DESCRIPTION

Since the year 2000 the Town Offices have occupied the 1963 former Oak Bluffs Elementary School. Responding to “sick building” complaints at the site of the former Town Offices, the move was made with only minimal renovations to accommodate the change in use. Since that time no significant work has been done to the building. The temporary nature of the initial renovations, coupled with an inefficient layout of adequate space and building deficiencies have hampered Town operations at this site. The Town has been keenly aware of the problems with its Town Offices, and in 2004 launched a major building analysis and design program to address this structure. This analysis included detailed structural and engineering analysis as well as a thoughtful space program and feasibility design. With struggling economic conditions the Town was not able to implement the program and continues to operate from the old school building.

In 2013, the Town once again conducted a feasibility study for the renovation or rebuilding of the Town Hall. Following a space needs study determining the requirement for a 20,000+- square foot facility, cost estimates determined that new construction would be slightly less expensive than renovating the existing space. Plans and a cost estimate to construct a new Town hall were prepared, but bids received in 2018 were substantially higher than the budgeted amount of a total project cost of \$9,978,000. The Town appropriated an additional \$1.3 million to complete the project, which was rejected by voters on a debt exclusion referendum in November 2018.

The Town has determined that the overall size and cost of the new construction is excessive given present needs and seeks to reevaluate options for renovating the existing building to meet current needs. The Town desires to retain the value of the initial programming work and analysis by evaluating and updating the background study and programming to help lower its initial feasibility design costs. The Town places a premium on the development of thoughtful and practical design program based on renovating the existing space that will meet our modern office needs while fitting in the small-town island character that we enjoy, and we require commitment to assisting to build community consensus to implement the selected design alternative.



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III. SCOPE OF WORK

The selected designer will conduct a conceptual design study and feasibility analysis for the renovation and/or reconstruction of the Town Offices. Specific scope items include the following:

1. Review and evaluate previous studies, design documents and cost estimates, Feasibility Study Oak Bluffs Town Campus, Amsler Mashek MacLean, Architects, Inc. April 2005; Feasibility Study for Town Hall Construction Keenan and Kenny, September 2013. Town Hall Plans and Specifications, Keenan and Kenny, 2018.
2. Analyze the existing layout of Town Offices and available space within the present building envelope to evaluate specific space needs of the Departments for Town Offices as well as adjacencies for the determination of functional use location and the development of proposed floor plans to make the best use of existing space to meet Town Office needs. Place emphasis on the public convenience of interacting with the Town Departments providing direct service to the public. Identify any potential conflicts or deficiencies in meeting program needs.
3. Analyze all building systems for update to meet code and function.
4. Development of schematic design documents including a site plan, floor plans, elevations, and exterior perspectives.
5. Review of Departmental needs and potential design alternatives with the Building Study Committee for the selection of a preferred layout and design alternative. The Town requires practical analysis and prudent, value-driven solutions.
6. Development of final design and construction cost estimates necessary to complete the project, to include all furnishings and initial equipment.
7. Attendance at meetings of the Building Study Committee and presentation of plan and costs at Town Meeting for funding the project.
8. Prepare a minimum of ten (10) copies of a final feasibility design report containing all recommendations and analysis; prepare at least one large copy of an elevation plan mounted for presentation purposes.

IV. REQUIRED PROPOSAL ELEMENTS

Prospective design firms should submit firm information in the form of the Commonwealth of Massachusetts Standard Designer Application Form for Municipalities and Public Agencies Not Within DSB Jurisdiction A copy of the form is attached.

In addition, Designers must submit a brief narrative statement outlining the firm's approach to the project and methodology that will be used during the design process This statement should



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include a work plan and schedule of completion for the feasibility design, including meetings with the Town and a description of project deliverables.

The Town reserves the right to conduct a personal interview with firms selected as finalists.

Eight (8) copies and one (1) original of all proposals shall be submitted in a sealed envelope marked "Proposal for Town Hall Feasibility Study". The Proposal shall include a letter containing the name of the organization or team submitting the proposal and the date of its presentation. One (1) copy of all Price proposals also shall be submitted, under separate cover, in a sealed envelope clearly marked "Price Proposal for Town Hall Feasibility Study".

All price proposals shall consist of a proposed total fixed-price fee proposal for all services, including development of the required cost estimates, to be provided under this RFP.

All proposals must include the provision of plans in digital format compatible with AutoCAD Release 14 and shall be delivered to the Town on a CD ROM. The coordinate base for all digital images shall be the Massachusetts State Plane Coordinate System NAD27.

V. EVALUATION OF PROPOSALS

1. The Town of Oak Bluffs as represented by its Town Administrator, Board of Selectmen or Steering Committee (individually or collectively, the Client) first shall review each Proposal to ascertain whether it meets the minimum requirements set forth in this RFP. Any proposal failing to do so shall be rejected.
2. The Client then shall rate each Proposal meeting the minimum requirements based on the desired characteristics specified in the comparative evaluation criteria described herein and determine, in writing, a composite rating for each Proposal.
3. After a composite rating has been determined for each Proposal, the Client shall rank all proposals and negotiate the design fee in accordance with Massachusetts law.
4. All prices quoted shall be exclusive of the Massachusetts Sales Tax and Use Tax, and Federal Tax from which the Town is exempt. Exemption certificates, if required, shall be furnished by the Client upon request.
5. The architect selected to perform this feasibility study will not be excluded from submitting proposals for future phases of work.
6. The Client reserves the right to: (a) accept or reject all or any portion of any or all Proposals submitted; (b) to waive informalities, irregularities, or technicalities of any



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Proposal: and (c) to examine all aspects, tangible and intangible, of each Proposal and then to make the award in the best interest of the Town of Oak Bluffs.

7. The Client shall award the contract within sixty (60) days after the Bid Opening. All Proposals and Price Proposals shall remain valid and acceptable for the period of time, which may be extended by mutual consent. The architect selected will be required to sign an agreement submitted by the architect and reviewed by the Town within twenty (20) days of being notified of the award, and must commence performance under the contract immediately thereafter.

VI. Minimum Requirements

Each Proposal first shall be reviewed by the Client to determine whether or not it meets the following Minimum Requirements:

1. The Proposal must be received by the Office of the Administrator before the Opening, each task set forth in Scope of Services must be addressed in the Proposal narrative, and signed original copies of all documentation required in the Appendix and the following:

- A. Certificate of Insurance - Professional Liability Insurance**
- B. Standard Designer Application Form for Municipalities and Public Agencies not within DSB Jurisdiction (updated February 2013)**

2. The Proposal must be from an Organization or Team that normally provides the services specified in the RFP as a significant element of its business, and the Proposal must be signed by an agent (or agents) having authority to execute a binding contract at a fixed price on behalf of the Organization(s). The signature, title, address and phone number of such agent (or agents) must be included in the Proposal.

3. The Proposal must provide: (a) a **narrative description** of the experience of the Team in providing the services specified in the RFP; and (b) a listing of at least three (3) **references from other municipalities or similar clients** for whom similar services have been performed in the last ten (10) years and (c) an indication that a member of the design team has had experience with three (3) similar municipal projects within the past ten (10) years and d) written notice of any proposed change of team members must be provided to the Town.

4. The Proposal must designate a lead architect (Project Manager) having at least five (5) years' experience as a lead architect for municipal town office design projects as manager of the design project and who will manage the principal consultants who will provide services. This Project Manager is to manage the project as long as he or she works for the firm. It will be the Project



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Manager's responsibility to organize the work effort to accomplish the tasks set forth.

VII. Comparative Evaluation Criteria

All Proposals that meet the Minimum Requirements shall be ranked competitively against one another according to the following Comparative Evaluation Criteria:

1. Professional relevant qualifications and experience of the individual designated as Project Manager and the principal consultants who will provide services for the project.

Highly Advantageous	More than ten years of directly relevant experience with successful similar projects
Advantageous	Between five and ten years of directly relevant experience with successful similar projects.
Not Advantageous	More than five years' experience, but questions exist with respect to the direct relevance of experience or the successful completion of projects.
Unacceptable	Less than five years' experience

2. Quality and comprehensiveness of narrative work plan proposed to achieve the tasks required.

Highly Advantageous	Work plan succinctly, clearly and completely addresses all major components of the project demonstrating mastery of the concepts and ability to work with the committee to achieve excellence in design in a practical way.
Advantageous	Work plan completely addresses all major components of the project demonstrating mastery of the concepts, but may leave questions as to the approach or methodology of the project.
Not Advantageous	Work plan may not clearly and completely address all components of the project, or major questions may exist with respect to the approach and methodology of the study or how the designer will work with the Town.
Unacceptable	Project narrative not submitted or does not address or lay out a clear approach to the project.

3. Relevance of references to the project requirements and responses from reference checks

Highly Advantageous	At least three references from similar projects; all references completely positive, with a strong track record of successful projects.
Advantageous	At least three positive references. Some minor questions may exist with respect to successful project completion,



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Not Advantageous	client satisfaction or similarity of projects. Not all references positive, with clear questions arising as to successful project completion, client satisfaction or similarity of projects.
Unacceptable	Multiple negative references, unsuccessful projects or completely dissimilar projects; client satisfaction problems or litigation with clients.

A single composite ranking shall be assigned by the client to each proposal based on the comparative evaluation criteria.

VII. SEALED PRICE PROPOSAL

In addition to the submittal requirements outlined above, each proposal should contain One (1) copy of the Price Proposal, under separate cover, in a sealed envelope clearly marked "Price Proposal for Town Hall Feasibility Study".

MAIL OR DELIVER EIGHT (8) COPIES AND ONE (1) ORIGINAL OF PROPOSAL TO:

Office of the Town Administrator
Town of Oak Bluffs
PO Box 1327
56 School Street
Oak Bluffs, MA 02557

All proposals, including the sealed price proposal, shall be in a sealed envelope marked "Oak Bluffs Town Hall Feasibility Design" and delivered no later than 3PM on Friday, _____, 2019 to the Office of the Town Administrator in the Oak Bluffs Town Hall.

Questions regarding the proposal should be directed to Town Administrator, Robert L. Whritenour, Jr. at 508-693-3554, extension 113 or at rwhritenour@oakbluffsma.gov

VIII. SELECTION PROCESS AND AWARD OF CONTRACT

The contractor that best meets all requirements and demonstrates the ability to perform and complete the task and is awarded the most advantageous composite ranking will be selected for



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fee negotiation. Contract award shall be based on successful fee negotiation. Past experience with the Town of Oak Bluffs will be considered in evaluating the proposals.

IX. TERMS AND CONDITIONS

The Town of Oak Bluffs reserves the right to reject any and all Proposals, to choose the proposal that best suits the needs of the Town, and to waive irregularities and informalities in the submittal and evaluation process. All proposals will be evaluated for conformity to the above minimum specifications. Error and omissions may be cause for disqualification. All proposals must remain open for a period of 60 days. This solicitation for Services does not obligate the Town of Oak Bluffs to pay any costs incurred by respondents in the preparation and submission of a Proposal, nor does it obligate the Town of Oak Bluffs to accept or contract for any expressed or implied services. The successful candidate will be required to sign a contract with the Town of Oak Bluffs within 20 days of award. Furthermore, the Town of Oak Bluffs reserves the right to reject all proposals if it is deemed in the best interest of the Town to do so, or to award the contract to the next most qualified Provider if a fee is not successfully negotiated. The successful candidate must provide all the required documentation within 15 days of contract signing or the contract may be considered null and void.

Insurance Requirements

The successful candidate will be required to show proof of insurance. Insurance limits shall be at a minimum: general and professional liability, \$500,000 each occurrence-\$2,000,000 aggregate. They will also be required to carry workmen's compensation insurance for all employees. Certificate of insurance will be required to be provided to the Town ten days prior to beginning of any work.

X. PAYMENT TERMS

Payments will be made in monthly installments to coincide with the amount of work completed. The Town of Oak Bluffs will retain 10% of the total design fee which will be held until the full job is completed and accepted by the town.

XI. WORK SCHEDULE

Completion by July 1, 2019

XII. APPEALS



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Vendors who wish to appeal a disqualification of proposal, or the award of contract may submit the appeal in writing to the Town Administrator with TEN (1) working days of the Notice of Award or disqualification.



Location Filming Permit Application

Film Permit Guidelines:

Thank you for choosing the Town of Oak Bluffs for your upcoming film project. We welcome you and will offer assistance whenever possible. This form is designed to assist you with the Film Permitting process for the Town of Oak Bluffs. A permit is required to film or photograph any commercial, motion picture or advertisement within the Town limits. In this document, the filming entity may be referred to as, "The Production Company." The Production Company is responsible for a permitting fee of \$500.00 per day, plus actual costs as listed below. Changes to an approved permit require additional local approvals with updated information.

EXEMPT USE: The filming of news events concerning persons, scenes or occurrences of general public interest, filming and still photography by a 501(c)3 non-profit organization and/or a project with on-site personnel numbering 5 persons or less are exempt from the permitting and/or fee process and structure:

Requirements for A FILM PERMIT:

Please complete the following forms, being as specific as possible, and return them to the Town Administrator at 56 School Street, Oak Bluffs, MA 02557.

- Obtain General Liability Insurance in the amount of at least \$1 million dollars per occurrence naming the Town of Oak Bluffs as an additional insured.
- The Production Company agrees to pay the Town of Oak Bluffs for any costs incurred in service to the production that are beyond the ordinary duties of town personnel and/or usage of town-owned equipment. This includes but is not limited to Town Employees' labor, and/or materials utilized in direct connection with the production. Labor will be charged at the benefited wage rate. In addition, the Production Company may incur costs payable to the Town Police Department for such services as providing traffic control, security work, etc. Other costs may occur and will be dealt with on a case-by-case basis between the Town and the Production Company with the understanding that the production will not incur or create costs for the Town.
- The Town requires any Film Production Company to either (at Production Company's election) provide a security deposit check to the Town Treasurer or establish with the Town Treasurer, a separate municipal Deposit Account to cover the costs of any unpaid bills. One Hundred percent (100%) of the Production Company's projected costs will be placed in the Deposit Account or provided as a security deposit for settlement of Town services.



Location Filming Permit Application

- Calculation of Estimated Costs:

<i>Department:</i>	<i>Estimated Cost</i>	<i>Deposit Amount (100%)</i>
Police		
Fire/EMS		
Highway		
Parks/Recreation		
Other		
Total		

In the event the Deposit Account or Security Deposit (as applicable) does not pay for Town services and/or labor, the Town will bill the Production Company for additional costs. Any surplus remaining in the Account upon completion of the production and payment for all Town services and/or labor will be returned to the Production Company within 30 days.

ADDITIONAL NOTES:

- It is the responsibility of the Production Company to notify all business and residential tenants who will be affected in anyway by filming. Permission to use private property must be granted in writing by property owners/landlords/property management companies before filming commences.
- The Production Company will not use any hazardous materials other than paint, cleansers, or other materials customarily used by companies without permits in the Town of Oak Bluffs without notifying the proper authorities, obtaining appropriate permits and notifying the Board of Selectmen and Town Administrator. The Production Company is responsible for cleanup and mitigation of any hazardous materials such as but not limited to oil spills, gas spills, and other toxic chemical releases that may occur during filming of the production.
- The Applicant acting through its authorized agent, agrees to defend, protect, indemnify and hold the Town of Oak Bluffs harmless from any and all suits, claims, damages, liabilities, or losses, including attorney fees and costs, for injury to or death of any person(s) or for damage to any property arising from the Applicant's acts or omissions under the film permit



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or resulting from the filming/photography. The bylaws of the Town of Oak Bluffs and the laws of the Commonwealth of Massachusetts shall govern this permit.

Along with your application, please submit:

- Proof of General Liability Insurance naming the Town of Oak Bluffs as an additional insured, in the amount of at least one million dollars.
- Also complete and sign an Indemnification Agreement.
- A check made payable to the Town of Oak Bluffs for the permitting fee.
- A check payable to the Town of Oak Bluffs for the Deposit Account to cover the estimated cost of town services.

Should you have any questions regarding permits, fees, or jurisdictions, please call the Town Administrator at 508 693-3554 ext.114

Once the Board of Selectmen approves the permit, the Town will appoint individuals for the following roles:

- **Municipal Contact:** A Town representative that has the authority to make impromptu decisions if needed.
- **Municipal Point Person:** A person within the municipality that works for the Town that can help with permits, connect with police, fire, and other departments.
- **Film Liaison:** A person who can assist as described above but also helps with locations, hotels, logistics, etc.



Town of Oak Bluffs

56 School Street | Oak Bluffs, Massachusetts 02557 | 508.693.3554

Location Filming Permit Application

Town of Oak Bluffs Film Permit

Production Company: _____

Production Title: _____

Applicant Name & Title: _____

Permanent Company Address: _____

Applicant Phone: _____ Company Phone: _____

Cell Phone: _____ Email: _____

Local Address: _____

Local Phone: _____ Local Fax: _____

Location's Manager's Name: _____

Telephone: _____ Cell Phone: _____

Email: _____

Production Type:

- | | | |
|---------------------------------------|--|--|
| <input type="checkbox"/> Feature Film | <input type="checkbox"/> Television Film | <input type="checkbox"/> Documentary |
| <input type="checkbox"/> Commercial | <input type="checkbox"/> Industrial | <input type="checkbox"/> Still Photography |
| <input type="checkbox"/> Music Video | <input type="checkbox"/> Other (please specify): _____ | |

Number of Days Filming: _____



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Location: Please be as specific as possible. Provide street addresses, building names, etc.
The Town recognizes that these locations, dates, and times are subject to change. ALL changes must be made in coordination with the necessary town officials. Please use a separate sheet if more than three (3) locations will be utilized.

Location 1: _____

Dates: _____

Times: _____

Description of Activity: _____

Location 2: _____

Dates: _____

Times: _____

Description of Activity: _____

Location 3: _____

Dates: _____

Times: _____

Description of Activity: _____

Will streets be used? Circle : Yes or No If yes, please indicate below.

For filming Parking

Will streets need to be closed / blocked to traffic? If yes, please indicate date(s) and time(s) below: *If appropriate, attach separate sheet with diagram and map to illustrate.*

Streets and cross streets: _____

Date(s): _____ Time(s): _____



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Will any scenes involve the use of fire, smoke, rain, explosives, aircraft, or firearms? If yes, please describe: _____

Date(s): _____ Time(s): _____

Will this Production involve extraordinary noise (over 55 decibels)? Circle Yes or No If yes, please describe: _____

Date(s): _____ Time(s): _____

Will this Production require turning off street lights for any length of time Circle Yes or No If yes, please describe and provide date(s) and time(s).

Date(s) _____ Time(s) _____

Date(s) _____ Time(s) _____

Date(s) _____ Time(s) _____

Please attach a copy of your general liability insurance coverage in the amount of \$1 million dollars naming the Town of Oak Bluffs as an additional insured party.

The applicant agrees to comply with all applicable laws and to maintain Town premises in good condition, and to return said premises to the same condition or better, before use for this film project.

Production Company Agent:

Print Name: _____ Title: _____

Signature: _____ Date: _____



Town of Oak Bluffs

56 School Street | Oak Bluffs, Massachusetts 02557 | 508.693.3554

Location Filming Permit Application

FOR TOWN USE ONLY

Approved by:

_____	Date: _____
Select Board, Chair	
_____	Date: _____
Select Board Member	
_____	Date: _____
Select Board Member	
_____	Date: _____
Chief of Police	
_____	Date: _____
Highway Superintendent	
_____	Date: _____
Fire Chief	

TOTAL FEES: _____	DATE FEES PAID: _____	PAYMENT TYPE: _____	CHECK # _____
DATE DEPOSIT PAID: _____	PAYMENT TYPE: _____	CHECK#; _____	



Location Filming Permit Application

TOWN OF OAK BLUFFS

COMMONWEALTH OF MASSACHUSETTS

INDEMNIFICATION AGREEMENT:

The Applicant (Production Company) _____
acting through its authorized agent, _____,
agrees to defend, protect, indemnify, and hold the Town of Oak Bluffs harmless from any and
all suits, claims, damages, liabilities, or losses, including attorney fees and costs, for injury to or
death of any person(s) or for damage to any property arising from the Applicant's acts or
omissions under the film permit or resulting from the filming/photography in the Town of Oak
Bluffs unless caused by the Town's negligence or willful misconduct.

In addition, the Applicant specifically agrees to defend, protect, indemnify and hold the Town of
Oak Bluffs harmless from any and all suits, claims, damages, demands, liabilities, or losses,
including attorney fees and costs, brought, made, or claimed by the owner of the premises, or
the owner's heirs, successors, or assigns, arising from the Applicant's use of the Premises unless
caused by the Town's negligence or willful misconduct.

Authorized Production Company Agent:

Print Name

Signature

Date
