

TOWN OF GRAY

FISCAL POLICY

Adopted by Gray Town Council on March 7, 2023

The Town of Gray shall develop and maintain, through the office of the Town Manager and the Town Council, a financially prudent, effective, efficient, and desired level of services to the citizens of Gray.

The Town of Gray shall develop and maintain, through the office of the Town Manager and the Town Council, a Performance Management Program incorporating such tools and metrics to clearly and succinctly demonstrate to the citizens of Gray that their tax dollars are allocated, managed, and deployed wisely.

Contents

FISCAL POLICY	3
BASE OPERATING BUDGET POLICY	3
BASE BUDGET DEVELOPMENT POLICY	3
PURCHASING POLICY	3
Total Cost Bidding.....	4
Cooperative Purchasing.....	4
Exemptions from Competitive Bidding:.....	4
Sole Sourcing.....	5
CAPITAL INVESTMENT PLAN AND PROGRAM POLICY (CIP).....	5
CIP PROGRAM DEVELOPMENT POLICY	5
CIP DEPLOYMENT POLICY.....	5
LONG TERM CAPITAL INVESTMENT AND DEBT POLICY	6
CASH MANAGEMENT POLICY	6
PERFORMANCE REPORTING.....	6
ADMINISTRATION.....	7
TOWN MANAGER.....	7
TOWN CLERK.....	7
FINANCIAL ADMINISTRATION AND BUDGET PROGRAM.....	8
HUMAN RESOURCES.....	8
BUILDINGS AND GROUNDS	8
COMMUNICATIONS AND INFORMATION TECHNOLOGY	9
WEBSITE, WEB-BASED SERVICES, AND SOCIAL MEDIA	9
LIBRARY.....	9
PLANNING and DEVELOPMENT SERVICES.....	9
ASSESSING	9
CODE ENFORCEMENT.....	9
GEOGRAPHIC INFORMATION SYSTEM PROGRAM (GIS)	9
PLANNING.....	9
PUBLIC SAFETY.....	10
PUBLIC SAFETY SERVICES.....	10
FIRE INSPECTOR.....	10
ANIMAL CONTROL OFFICER	10
PUBLIC WORKS.....	10
MOTOR VEHICLE MAINTENANCE PROGRAM	10
RECREATION.....	11
RECYCLING AND TRANSFER STATION	11
CAPITAL PROJECTS.....	11

FISCAL POLICY

The Town of Gray shall develop and maintain, through the office of the Town Manager and the Town Council, a financially prudent, effective, efficient, and desired level of services to the citizens of Gray.

The Town of Gray shall develop and maintain, through the office of the Town Manager and the Town Council, a Performance Management Program incorporating such tools and metrics to clearly and succinctly demonstrate to the citizens of Gray that their tax dollars are allocated, managed, and deployed wisely.

BASE OPERATING BUDGET POLICY

The Town of Gray shall maintain a level of expenditure that shall provide for the public well-being and safety of the residents as the first level of priority.

Additional services and programs shall be reviewed in an order of priority that shall reflect both, the financial capacity of the taxpayer base to sustain such services, and the practical and intrinsic value of the offering to the community.

BASE BUDGET DEVELOPMENT POLICY

An annual base operations budget shall be developed by verifying, through historic review, Department Head, Town Manager, and Council recommendations, expenditures required for the forthcoming fiscal year. During the annual budget development process, the existing budget and work practices shall be thoroughly reviewed to determine and develop opportunities to improve service levels without additional cost or to reduce operating cost without reducing service levels. Additions and/or incremental adjustments of the base operating budget shall be supported by business case analysis.

PURCHASING POLICY

Spending Authorization

The Town Manager is designated by the Charter as the Purchasing Agent for the Town. Accordingly, the Manager and Department Heads are authorized to spend within budget appropriations. Purchases within the dollar ranges specified below must meet the requirements listed.

\$0 - \$5,000. Formal competitive bidding is not required. However, the purchaser should endeavor to get the best value for the money spent. Department Head or their designee can approve the purchase.

\$5,001 - \$15,000. Quotations shall be solicited from a minimum of three qualified bidders, if available. The quotes must be documented and attached to purchase order. A purchase order signed by the Town Manager is required.

\$15,001 - \$40,000. Written proposals or bids shall be solicited from a minimum of three qualified bidders, if available and attached to purchase order. A purchase order signed by the Town Manager is required.

Over \$40,001. Written bid specifications or equivalent shall be approved by the Town Manager. The bid shall be advertised by the most efficient means possible to encourage the widest possible competition. The Town Manager may award the bid to the lowest bidder and sign the purchase order or contract.

Total Cost Bidding

If the Town Manager feels that it is in the best interest of the Town not to award the bid to the low bidder, they may refer the award of the bid to the Town Council. The Town Council shall award the bid to the best bidder; not necessarily the lowest bidder; keeping in mind the total cost over the life of the project or equipment, the quality of material, availability of service, contributions by the bidder to the local tax or employment base and other significant factors.

Cooperative Purchasing

Competitive bidding requirements may be delegated by the Town Manager to area-wide, or State-wide purchasing cooperatives.

Exemptions from Competitive Bidding:

1. Contracts for professional services. Professional Services contracts should be rebid every three years, with the option for the Town to extend two annual renewals.
2. Hourly rate contracts, which cannot be effectively estimated.
3. Situations in which it is determined by the Town Manager that only one firm can effectively provide the required service or materials. Such sole source purchases may be made for continuity of department/town assets.
4. Emergency repair or replacement where it is determined by the Town Manager that the repair or replacement cannot be delayed sufficiently to conform to the policy.

5. The letting of contracts or purchases of additional quantities, where the Town has recently awarded bids as normally required, and the successful bidder is willing to honor their original price.

6. Purchases from vendors which have been vetted by a professional association. Such documentation must be attached to invoices for payment.

Sole Sourcing

Sole sourcing refers to products that are only produced by only a single supplier. Single Sourcing refers to products that are produced by more than one supplier. Single sourcing is more sustainable than sole sourcing as products can be produced by more than one supplier.

Should the case be that an item or service falls under sole sourcing a sole source memo will be provided as justification and provided to the Town Manager for prior approval of purchase. The memo will also include a quote from the vendor providing the item or service.

CAPITAL INVESTMENT PLAN AND PROGRAM POLICY (CIP)

The CIP shall provide for adequate design, construction, maintenance, and replacement of the Town's infrastructure including roads and bridges. The CIP shall also provide for repair and/or replacement of capital plant and equipment, including motor vehicles, building maintenance, and capital tools and equipment.

CIP PROGRAM DEVELOPMENT POLICY

The Town shall project its needs for the next ten years and shall update this projection twice each year commensurate with the programmed property tax billing dates. From these projections, a five-year maintenance and replacement schedule shall be developed and followed for items valued at a minimum of \$5,000 and with a projected life span of at least 7 years.

The Town shall maintain a diversified and stable revenue allocation system to mitigate short-term fluctuations in any one year. Annual revenues and revenue allocations to the CIP shall be estimated and adjusted using objective, analytical processes utilizing trend analysis, statistical analysis, and financial analysis tools as appropriate.

CIP DEPLOYMENT POLICY

The Town shall deploy all capital projects based on highest and best use of associated capital funds. The Town shall review annually the five-year CIP projections for capital projects and

improvements and shall develop a lifecycle cost analysis that clearly articulates the financial benefit, funding sources, and project implementation schedule for each capital project proposal before it is submitted to the Town Council for approval. To ensure project completion within budget and established timelines, tracking of components of the CIP approved shall be implemented and the Town council updated monthly monitored by the Town Manager.

A healthy reserve fund should be maintained to reduce impacts to the MILL rate.

Emergency and unanticipated capital expenditures for maintenance and/or replacement shall be the rare exceptions and only considered where public health and/or safety are at risk. A Buildings and Grounds Contingency fund and a Town Manager Contingency fund should be maintained to address such situations.

A fixed asset system shall be maintained to identify all Town assets, their condition, historical cost, replacement value, and useful life.

LONG TERM CAPITAL INVESTMENT AND DEBT POLICY

The Town of Gray shall confine long-term borrowing to specific capital improvements that cannot reasonably be funded from annualized tax allocations or reserve funds. The term structure of debt shall not exceed the anticipated useful life of the acquired asset. Bonding is recognized as a useful financial tool to assist with large projects, such as infrastructure, or high value equipment purchases, when the value of bond costs is reasonable.

When market conditions are deemed favorable, unexpended capital shall be invested to maximize return while preserving the liquidity of the investment base. All proceeds from these investments shall be retained in the Undesignated Fund Balance Account and shall be used to supplement annualized CIP funding requirements.

CASH MANAGEMENT POLICY

The Town Treasurer shall semi-annually submit an investment plan to the Town Council for review and adoption. The plan shall clearly articulate investment strategies that maximize the overall rate of return for all town funds collected while preserving liquidity. The plan shall comply with all applicable laws and adopted investment policies. The Town Treasurer shall pro-actively direct the investment of Town cash funds in various investment vehicles such as overnight deposits, money market accounts, CD's, bonds which are held by a trustee or other financial agent.

PERFORMANCE REPORTING

The Town performance reporting program is designed to ensure consistent, high quality, cost-effective services for the citizens of Gray.

The Town Manager's Office shall have the primary responsibility for implementing the performance reporting program under the direct oversight of the Gray Town Council. Performance reporting is the assessment of how well the Town as a whole, and each department, performs when providing goods and services to Gray citizens and to regional and state entities.

Gray's Town Manager shall be accountable for the proper use of tax dollars and for providing the services citizens expect from local government. Performance reporting provides Gray citizens with the information necessary to ensure accountability. Additionally, performance reports are a management tool that tracks work performed and results achieved. The Town of Gray's performance reporting program is intended to inform the Township by:

- Providing necessary information to enhance policy decision-making;
- Improving customer service feedback;
- Supporting strategic planning and goal-setting;
- Enabling effective use of resources; and
- Strengthening accountability.

The Town Administration shall assemble a comprehensive Annual Report each year. Copies of the report shall be distributed to program managers, department heads, the Town Council, Boards and Committees, the media, and the public. The Town Manager will require monthly reports from Town Department Heads and will share those monthly reports with the Town Council as part of their own reporting to the Town Council. These department reports will demonstrate the value of public services provided by the Town of Gray, and the efficiency of their delivery.

ADMINISTRATION

TOWN MANAGER

Purpose: To ensure sound overall management practices for the Town in general; that citizen interface with Town Administration is satisfactory; that reporting departments are managed to the overall satisfaction of the citizens and Town Council; that the Town's Operating Budget and Capital Investment Program are properly developed and implemented; to ensure the quality of life in Gray meets or exceeds the expectations of the citizens commensurate with taxpayer burden.

TOWN CLERK

Purpose: To provide thorough, timely, accurate, records, documents, and information to the citizens of Gray, the Town Council and Town boards and committees.

FINANCIAL ADMINISTRATION AND BUDGET PROGRAM

Purpose: To ensure sound financial management by managing the investment of Town funds; managing the development and implementation of the Town's budget; preparing the City's Capital Improvements Program (CIP) and Fiscal Analysis; performing studies and analyses; and providing recommendations to support the Council's financial decisions and fiscal policy.

ACCOUNTING AND CONTROL

Purpose: To ensure the accurate accounting, disbursement and safeguarding of the Town's funds by maintaining accounting and fixed asset records and issuing reports in conformance with generally accepted accounting principles; reviewing transactions to ensure compliance with applicable regulations, policies, and requirements; paying accounts receivable in an accurate and timely manner; managing the payroll process in an accurate and timely manner; and administering the financial component of employee retirement and benefit programs.

PURCHASING

Purpose: To provide the Town with the means to obtain quality goods and services at the lowest possible cost while conforming to the Gray Town Charter, Town Council policy, the Town Administrative Code, as well as state and federal requirements for procurement. To cost effectively manage the storage and disposal of goods and/or services.

REVENUE PROGRAM

Purpose: To ensure the timely, accurate and equitable collection of revenues and property taxes by monitoring billing, collection, and receipt of taxes; managing the billing and collection of ancillary fees and charges.

HUMAN RESOURCES

Purpose: To provide Town employees with access to training and resources that promote professional development, teamwork, technical proficiency, and the management and leadership that fosters and facilitates a sound return on the investment made by Gray citizens in maintaining adequate Town staffing.

BUILDINGS AND GROUNDS

Purpose: To maintain town parks and facilities in an attractive, safe, clean, and accessible condition by planning and conducting preventive maintenance; managing CIP renovation projects; conducting repairs; providing in-house and contractual cleaning services; managing ADA compliance and performing safety inspections.

COMMUNICATIONS AND INFORMATION TECHNOLOGY

WEBSITE, WEB-BASED SERVICES, AND SOCIAL MEDIA

Purpose: To increase citizen understanding and awareness of the Town by providing effective communication through Gray's website and social media. To increase citizen understanding, awareness, and participation in Town government and to increase and facilitate information flow to users.

LIBRARY

Purpose: To meet the needs of Gray's citizens by providing high quality programs delivered to maximize attendance and effectiveness. To provide a high-quality, well-maintained inventory of books, periodicals, and other media. To plan for maximum utilization of Library facilities.

PLANNING and DEVELOPMENT SERVICES

ASSESSING

Purpose: To ensure the timely, accurate and equitable development of the Property Tax basis for property tax revenues by maintaining accurate and timely records of new construction, monitoring trend rates for new construction, and by conducting periodic assessment reviews.

CODE ENFORCEMENT

Purpose: To ensure the safety and conformance of Gray's buildings to Building code requirements. To maintain the value of property and safety of the occupants by permitting and inspecting construction, enforcing the zoning ordinance, and enforcing town codes in a timely and consistent manner. Work with Town boards, committees, and the citizens to effectively and efficiently provide clear, concise, accurate information for proposed construction projects.

GEOGRAPHIC INFORMATION SYSTEM PROGRAM (GIS)

Purpose: Develop and maintain a GIS infrastructure that will allow employees and the public easy access to the Geographic Information System (GIS), which will provide employees the tools to perform their work more efficiently and the public with easy access to geographical information over the Internet enhancing implementation of strategic Comprehensive Plan goals and objectives.

PLANNING

Purpose: To develop and oversee long range planning for the Town, including preparing and updating the master plan (Comprehensive Plan) zoning plans, and strategic planning documents. Maintain an up-to-date statistical database (GIS). Coordinate the implementation of the Gray

Comprehensive Plan and other specialized plans and recommendations. Provide informed and accurate staff support to Town boards and committees. Develop policies and plans for Town Council review that enhance the development of new lots, blocks and/or units with final approval for location within target zoning areas. Advise Town council as to the effectiveness of Comprehensive Plan Implementation as it applies to zoning and business opportunities.

PUBLIC SAFETY

PUBLIC SAFETY SERVICES

Purpose: To ensure the citizens of Gray are provided with an ongoing Firefighting and Rescue force, Fire and Rescue related infrastructure including buildings and equipment, training, fire prevention and inspection safeguards and information, and other Fire and Rescue and life safety services administered in an effective and efficient manner.

FIRE INSPECTOR

Purpose: To maintain the safety of Gray's buildings and respective occupants by inspecting construction and enforcing the Town's Fire code in a timely and consistent manner. Work with Town boards, committees, and the citizens to effectively and efficiently provide clear, concise, accurate information for proposed construction projects.

ANIMAL CONTROL OFFICER

Purpose: To preserve public order, protect lives and property, and reduce dog bites, cruelty to animals, dead dogs in the road, miscellaneous animal conflicts.

PUBLIC WORKS

Purpose: To deliver Public Works engineering and operational services that provide the Town of Gray a reliable, safe, effective road system. To ensure a safe and clean environment for citizens and high-quality infrastructure that meets Town, state, and federal standards by inspecting all related capital improvement construction work and construction of infrastructure by developers who receive Town of Gray issued permits; and by managing in-house and contractual services for construction, maintenance and repair of infrastructure including roadways, streets, sidewalks and storm water management systems and facilities.

MOTOR VEHICLE MAINTENANCE PROGRAM

Purpose: To ensure that the vehicles and equipment within the Town's fleet are always operational and well-maintained by providing an efficient, thorough, and effective maintenance and repair program; managing vehicle acquisition and disposition; and managing fuel operations.

RECREATION

Purpose: To meet the recreational needs of citizens by providing high quality Recreation programs. To provide high-quality, well-maintained facilities and programs for the public and community by maintaining Town Parks and Recreation facilities; to provide contractual and in-house services for private and public meetings and performances; develop programs and opportunities that fully utilize facilities and grounds; promote public awareness of the Town's resources.

RECYCLING AND TRANSFER STATION

Purpose: To ensure that the Recycling engineering and operational services provide the Town of Gray with a reliable, safe, effective waste management and disposal system. To ensure a safe and clean environment for citizens and a high-quality infrastructure that meets Town, state and federal recycling and waste management standards by managing contractual services for waste management, renovations, maintenance and repair of equipment and facilities.

CAPITAL PROJECTS

Purpose: To develop and maintain town roads, streets, sidewalks, parks, and facilities in an attractive, safe, clean, and accessible condition by planning, managing, and implementing CIP renovation projects.

To provide a safe and effective street and sidewalk system by ensuring that public streets and sidewalks are designed to town standards; planning roadway and traffic control improvements; operating and maintaining traffic signals, beacons, and streetlights; coordinating with adjacent towns on traffic coordination and planning.

To ensure that the vehicles and equipment within the town's fleet are always operational and well-maintained by providing an efficient, thorough and effective maintenance and repair program; managing vehicle acquisition and disposition.

To ensure sound financial management by managing the investment of Town funds; managing the development and implementation of the Town's budget; preparing the Town's Capital Improvements Program (CIP) and Fiscal Analysis; performing studies and analyses; and providing recommendations to support the Council's financial decisions and fiscal policy.