

BOARD OF SELECTMEN
TOWN OF TEWKSBURY
TOWN HALL
1009 MAIN ST
TEWKSBURY, MASSACHUSETTS 01876

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MEETING MINUTES
DECEMBER 17, 2013

Chairperson Scott Wilson called the meeting to order at 7:09 p.m. Present for the Board of Selectmen meeting were Doug Sears, Vice Chair; James Wentworth, Clerk and Board Members, David Gay and Todd Johnson. Richard Montuori, Town Manager and Attorney Charles Zaroulis were present.

Tax Classification Hearing

The Chair read the notice into the record stating the hearing is in compliance with Mass General Laws Chapter 79 of the Acts of 1983. A public hearing was conducted for the following:

1. Allocating the local property tax levy among the five property classes for the next fiscal year and selection of a Minimum Residential Factor.
2. Whether to allow a residential exemption and if so, at what percentage of the residential factor.
3. Whether to allow a small commercial exemption and, if so, at what percentage.
4. Whether to allow a discount of up to twenty five percent (25%) for property Classified as Open Space

This hearing is an annual agenda item to determine the tax shift. Present for this hearing were Chris Wilcock, Joanne Foley and Karen Kucala.

Mr. Wilcock presented and stated the purpose again as outlined in the public hearing notice read into the record by the Chair of the Board of Selectmen.

For the residential exemption, this is now in effect for 11 out of the 353 municipalities in the state. Historically the Board has voted no on this. It is not done typically done in Tewksbury, but is seen in larger communities like Boston and Cambridge. This exemption does not make sense for all municipalities.

The Small Business Exemption has been instituted in five towns in Massachusetts. Historically the Board has voted no on this as well.

On the Open Space Discount, the Board will voted whether to allow a discount of up to 25% for property classified as Open Space. Historically the Board has not granted a discount for this classification.

Shifting the tax rate moves the tax burden to be raised from the Residential/Open Space Classes to the Commercial, Industrial and Personal Property Classes (CIP). Property is divided into five classes such as Residential, Open Space, Commercial, Industrial and Personal.

Classes by total valuation at 100% in 2013 were as follows:

- Residential 80.56%
- Open Space 0.00%
- Commercial 9.87%
- Industrial 5.44%
- Personal Property 4.13%

Classes by total valuation at 100% in 2014 were as follows:

- Residential 88.89% (0.33%)
- Open Space 0.00%
- Commercial 9.44% (-0.43%)
- Industrial 5.46% (0.02%)
- Personal Property 4.20% (0.07%)

FY2014 sales have seen some growth in 2013 will see more growth in upwards of 3% to 4% next year.

Town Manager's recommendation is to keep the same shift as last year at 1.47. The 2013 valuations and the FY2014 split options were shown as follows:

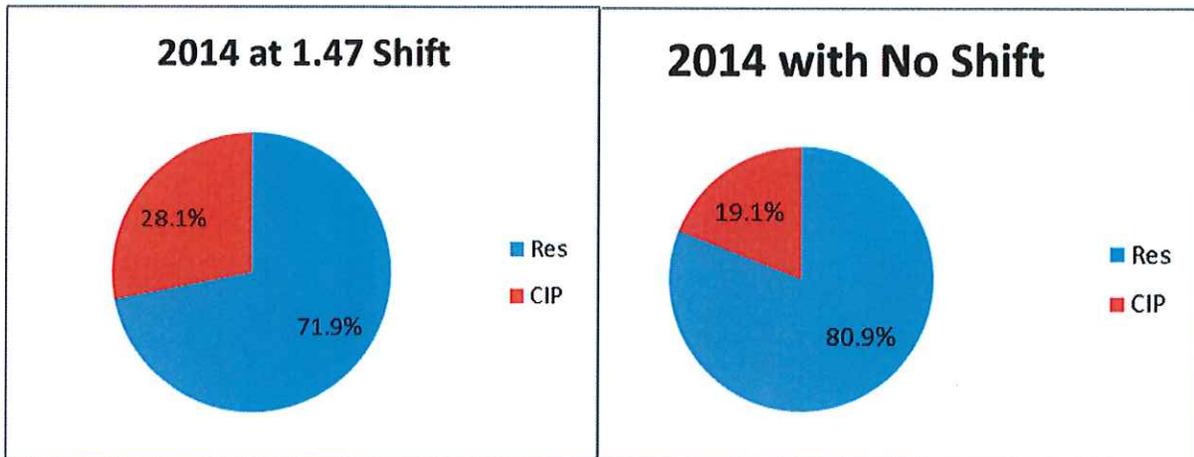
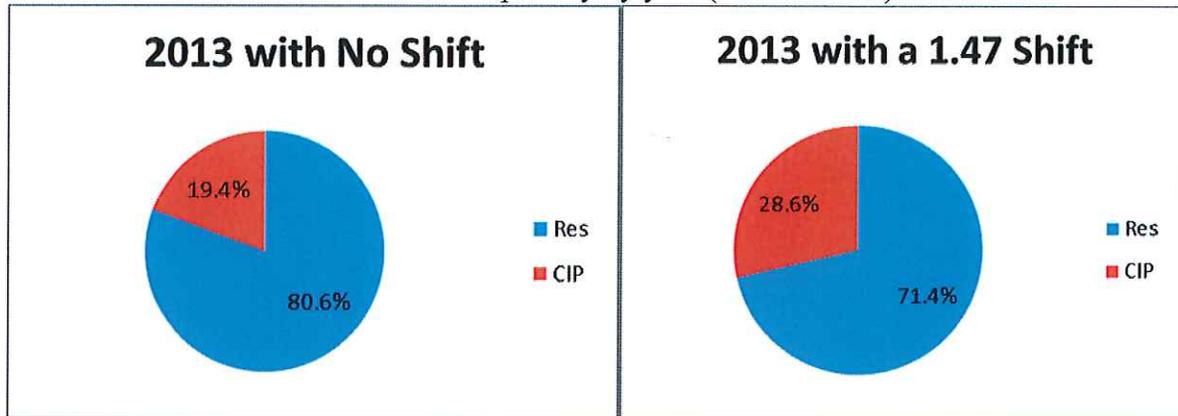
	FY13 VAL	FY13 TAX	FY14 VALUE	FY14 TAX	% VAL CHG	FY14 TAX CHG @ 1.47
AVERAGE SINGLE FAMILY	\$316,552	\$4,888	\$314,436	\$5,066	-0.7	\$178
AVERAGE RES. CONDO	\$227,469	\$3,512	\$223,254	\$3,597	-1.9	\$85
AVERAGE COMMERCIAL	\$773,618	\$19,805	\$767,716	\$20,452	-0.8	\$647
TAX LEVY	\$66,234,396		\$68,530,647			
	FY13 Res Rate \$15.44		FY13 CIP Rate \$25.60			

FY2014 RATE SPLIT OPTIONS

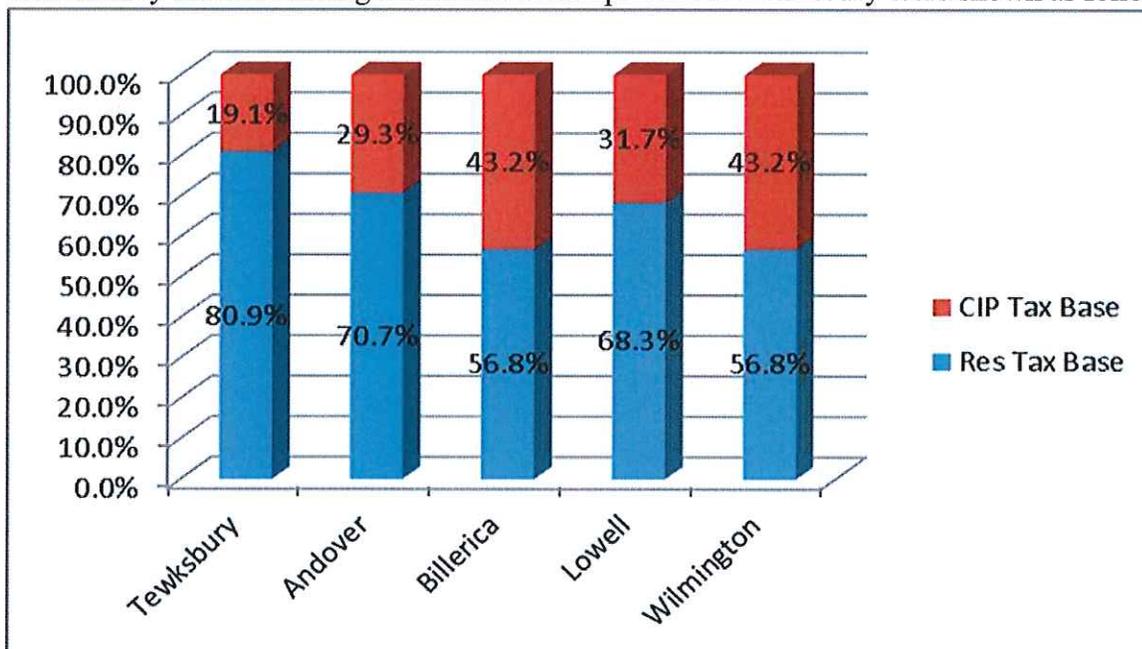
CIP SHIFT	RES FACTOR	TAX RATES		SINGLE FAMILY HOMES	RESIDENTIAL CONDOS	COMMERCIAL
		RES TAX RATE	C/I TAX RATE	AVERAGE TAX BILL	AVERAGE TAX BILL	AVERAGE TAX BILL
1.00	1.000000	18.12	18.12	\$5,698	\$4,045	\$13,911
1.45	0.893691	16.20	26.28	\$5,094	\$3,617	\$20,176
1.46	0.891329	16.15	26.46	\$5,078	\$3,606	\$20,314
1.47	0.888966	16.11	26.64	\$5,066	\$3,597	\$20,452
1.48	0.886604	16.07	26.82	\$5,053	\$3,588	\$20,590
1.49	0.884241	16.02	27.00	\$5,037	\$3,577	\$20,728
1.5	0.881879	15.98	27.18	\$5,025	\$3,568	\$20,867

The maximum allowable split is 1.5.

The shift tax burdens were shown comparably by year (2013 to 2014) as follows:



Current levy for surrounding communities comparable to Tewksbury were shown as follows:

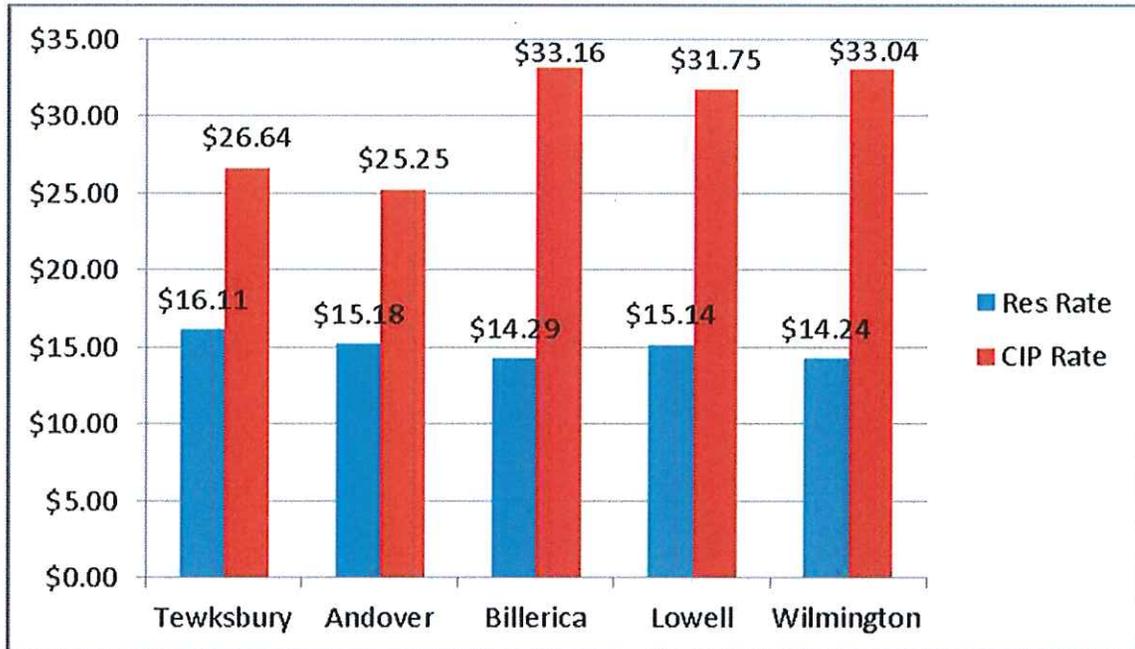


Current Town of Tewksbury Tax Levy from LA-5 (Values)

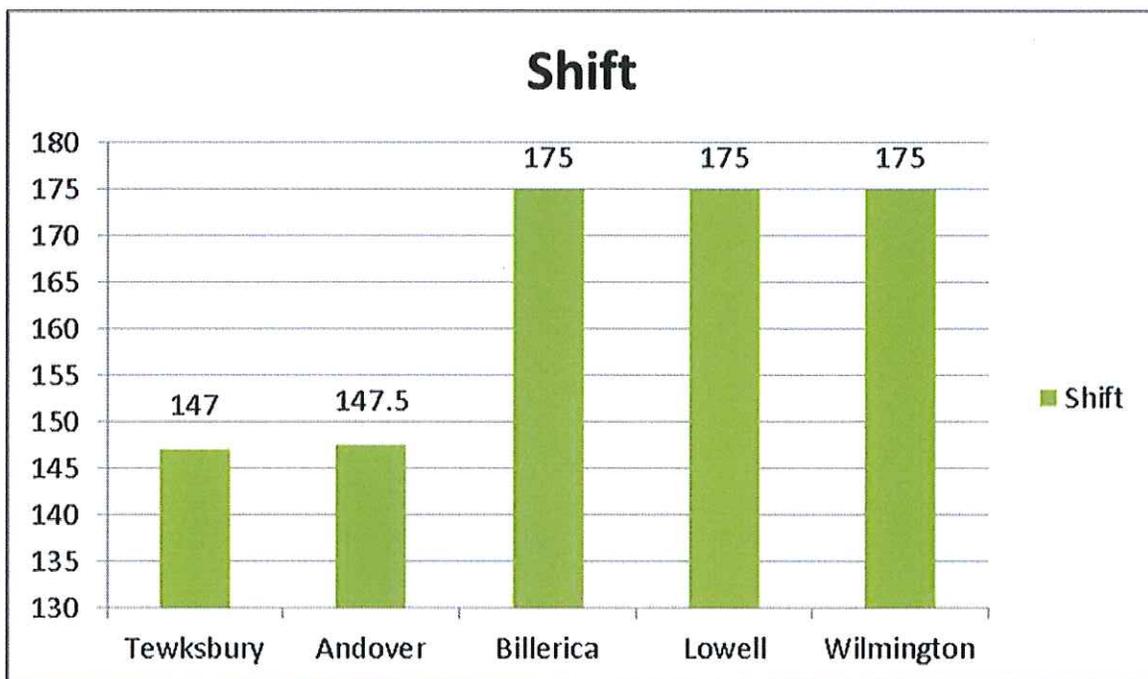
Mr. Wilcock noted higher assessed values have lower tax rates.

Max for Tewksbury is 1.5% other towns can go to 1.75% can do this because the Department of Revenue fills out the appropriate forms the max shift is based on previous shifts.

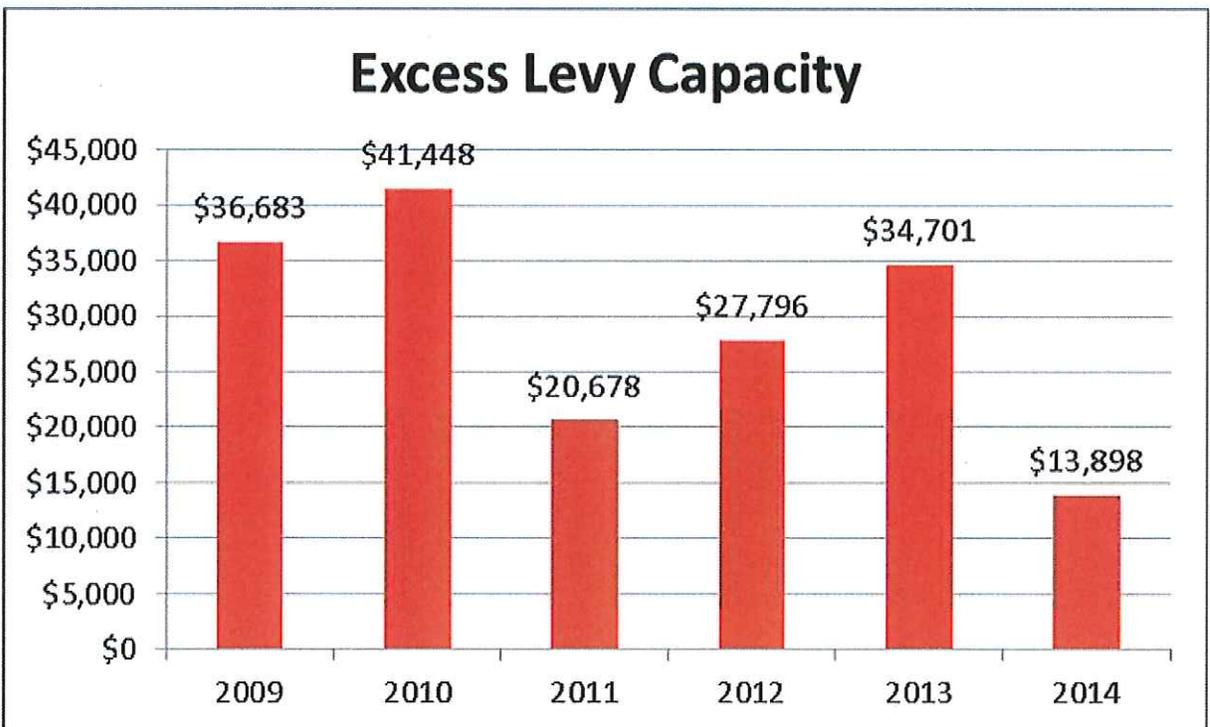
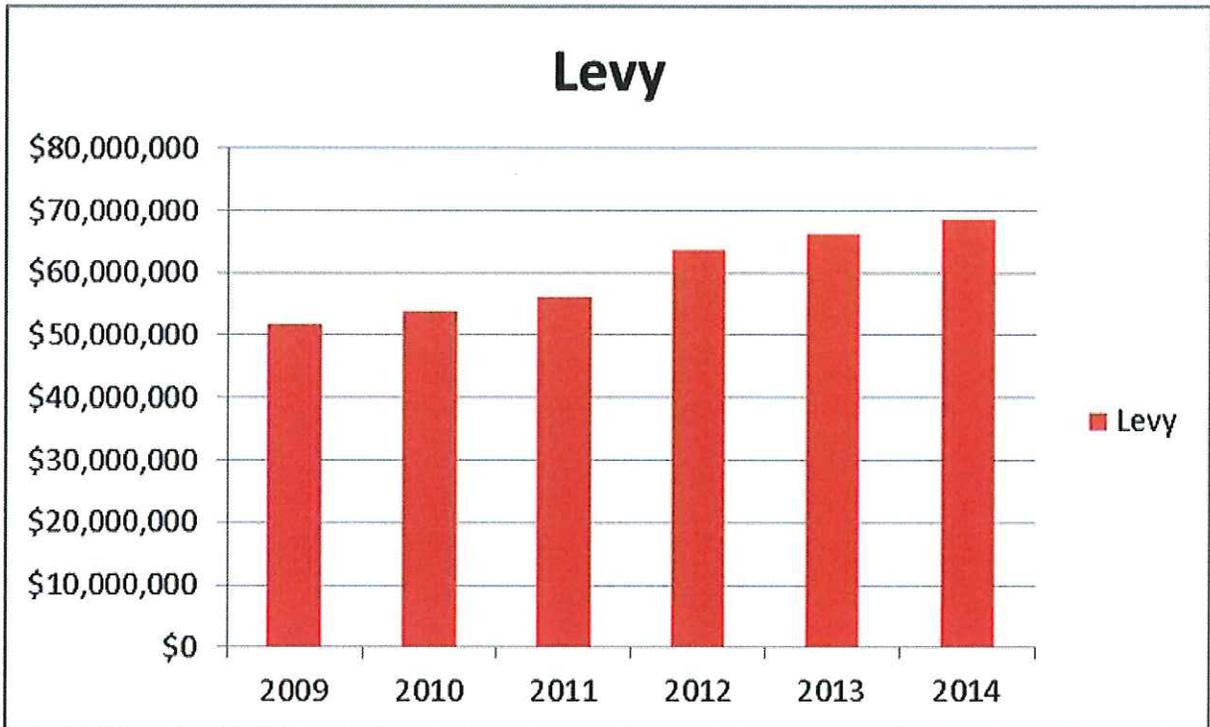
Current recommended shifts are as follows:



Shown at the recommended 1.47 Shift (MRF 0.888966)



Shown at the recommended 1.47 Shift (MRF 0.888966)



Actions:

- It is up to the Board of Selectmen to determine whether or not the tax burden should be shifted
- Once they decide in favor of shifting the burden, by means of shifting the tax rate, they must then decide how much the burden will be shifted
- The recommended shift is 1.47% (MRF 0.888966)

Votes needed:

- Allocating the local property tax levy among the five property classes for the fiscal year 2014 and selection of a Minimum Residential Factor 0.888966 (1.47).
- Whether to allow a residential exemption?
- Whether to allow a small commercial exemption?
- Whether to allow a discount of up to twenty five percent (25%) for property Classified as Open Space?

Mr. Sears asked wondered why the split has negative impact on business growth as Tewksbury is one of lowest commercial for surrounding communities. Mr. Montuori noted communities with the highest shift have the highest growth; because Tewksbury is now an economic target area development community, we can give tips to those who want to locate here. Tewksbury is in a lower area of the tax shift. The Board in general agreed with the Town Manager's recommendation.

Other communities increases were noted as Billerica by \$114; Tyngsboro by \$164; Chelmsford by \$320 and Andover by \$354.

By implementing the tax shift this reduces the residential tax rate by 9%; if the Board voted not to shift, residents would see an average tax bill in the amount of \$5,700.

The Board requested for the presentation to be posted on the website as it was not electronically available for TV viewing tonight.

It was also noted that the levy is out of the control but the Town management has not control on this matter as the Mass Department of Revenue prevents this from taking place due to their formulas which completely drives the levy number.

MOTION: Mr. Sears made the motion to allocate the local property tax levy among the five property classes for the fiscal year 2014 and selection of a Minimum Residential Factor 0.888966 (1.47); seconded by Mr. Gay and the motion carried 5-0.

MOTION: Mr. Sears made the motion to not allow a residential exemption for the fiscal year 2014; seconded by Mr. Gay and the motion carried 5-0.

MOTION: Mr. Sears made the motion to not allow a small commercial exemption for the fiscal year 2014; seconded by Mr. Gay and the motion carried 5-0.

MOTION: Mr. Sears made the motion to not allow a discount of up to twenty five percent (25%) for property Classified as Open Space for the fiscal year 2014; seconded by Mr. Gay and the motion carried 5-0.

Mr. Montuori announced this would be Mr. Wilcock's last meeting as he is moving on to another position in the City of Melrose. He will be missed and the town is grateful for his work while employed here. The Board of Selectmen and the Town Manager wished him well in his new endeavor.

Café Sicilia—Cordials & Liqueurs Hearing

The Public Notice was read into the record by the Chair stating the Board of Selectman will conduct a public hearing on the application of Café Sicilia, Inc. by Joseph Mazzola, Manager, for permission, as provided by the Massachusetts General Laws Chapter 138, Section 12, to sell cordials and liqueurs in addition to the wine and malt beverages license as common victualler on premises located at 1300 Main Street, Unit B; and described as a single floor with a 625 sq. ft area, two entrances, two exits, seating for ten, and two outside seasonal tables with four chairs in front of the building. Mr. Sears recused himself from this hearing.

Since the last hearing on December 3, 2013 the Board has received all the required paperwork from town departments. There were not written comments from residents.

The Chair opened the hearing up to the public for comment.

Ms. Sharon Chalmere of 11 Gabs Path spoke. She is a neighbor of this of this establishment and is also a patron. She noted there has been no trouble since Café Sicilia received their beer and wine license and she fully supports this application.

Ms. Kathleen Dellarciprete of 3 Orchard Street also spoke. She noted she personally did not receive a notice for this hearing but wanted to be clear she has always been in favor of the Café. Ms. Dellarciprete knows the owner has struggled and has always done what is asked of him by the Town of Tewksbury. It is a nice family restaurant to attend. In her observation there has been occasion where the authorities have come into the neighborhood for calls to the residences than to Café Sicilia. She completely supports this request.

The Board made note the Police Chief is not in favor of expansion of the license, and this is consistent with his previous comments. Chief Sheehan was presented and asked by the board to speak on this matter. Chief Sheehan's opinion is this establishment is more of a sub shop than a restaurant and feels an application for a full liquor license for this type of establishment is not appropriate. He also felt strongly that this could set precedence for other applicants.

The Board took Chief Sheehan's comments under advisement. Mr. Wilson requested for guidelines to be created for future applicants on this matter.

Mr. Mazzola's attorney commented that it was her opinion the Chief was improperly characterizing Café Sicilia as a sub shop. She described the establishment as a little slice of Sicily, and piece of Europe in the town. She also commented that having this license is a way for a small business to achieve more.

Mr. Gay stated two residents support this application and so far the restaurant has operated without incident. It would be unwise for the board to reverse their courses and as it is important to keep consistency.

Mr. Johnson stated he was the only member who voted against the license originally. Mr. Mazzola has not caused concern to the Board but the Board has been put in a difficult position. His opinion is the licenses are not being well managed or administrated; as he believes if this application is approved there are not more licenses to issue in this category. He also noted the Board is not well

positioned to make a decision on this application and feels the Board has not done enough homework to put the application forward. Mr. Johnson made clear he has concerns about the process and will be more conservative going forward on future license applications, as this application offers an enormous magnitude. Once the license is given, it would be very difficult to pull away. He concluded by stating it would be his intention to vote against this application based on consistency in his remarks.

MOTION: Mr. Wentworth made the motion to approve cordials and liquor license for Café Sicilia and requested the town to keep a close eye on the operation of the license within the business; seconded by Mr. Gay and the motion carried 3-1-1 with Mr. Johnson opposed and Mr. Sears not voting.

Trull Brook Golf Course, Inc.—Extension of Hours

The Chair of the Board read the public hearing notice in to the record which stated the Board of Selectmen will conduct a public hearing for the application of Trull Brook Golf Course, Inc. located at 170 River Road, by Sheldon Alman, Manager, to increase the hours of serving alcohol which are presently:

- Monday through Saturday
 - Clubhouse & patio: 11:00 a.m. to 10:00 p.m.
 - Tennis Building: 11:00 a.m. to 12:00 Midnight
 - Alcohol Beverage Carts on Golf Course: 11:00 a.m. to Dusk
- Sunday
 - No service alcohol before 12:00 Noon

And increase the serving hours to:

- Monday through Saturday
 - Clubhouse & patio: 8:00 a.m. to 10:00 p.m.
 - Tennis Building: 8:00 a.m. to 12:00 Midnight
 - Alcohol Beverage Carts on Golf Course: 8:00 a.m. to Dusk
- Sunday
 - No service alcohol before 12:00 Noon

Comments have been received by all town departments on this application.

Present for this hearing was the applicant Roy Trull and Sheldon Alman, Manager of the establishment. Unfortunately, Mr. Trull's attorney was not present as he was unable to make hearing. Mr. Trull was comfortable proceeding without his counsel.

It was stated the new hours would be effective when golf course is open March 2014 through October 2014. It did not make sense to have the expansion of hours start in the current winter months.

The Chair opened the hearing up for public comment. No one present came forward to speak on this matter.

Mr. Sears had a conversation with Mr. Trull's attorney as this is a unique situation and really the establishment just wants to compete with other golf courses in the area, and he confirmed the specific dates of operation were March 15 through November 15 only.

Mr. Trull also agreed not to include the tennis courts in the expansion of hours.

Mr. Johnson stated this is a slightly different set of circumstances; but still is a license in a different category and could set precedence for other applicants in the future.

Sign-offs were given by all departments, however the Police Chief, who is not required to sign off on this application, did state he was not in favor of an 8 a.m. serving time.

MOTION: Mr. Johnson made the motion to approve the expansion of hours to serve alcohol at the Trull Brook Golf Course, Inc. to begin at 8:00 a.m. and shall be limited to the patio, golf course and beverage carts. All other serving areas will begin at 11:00 a.m.; seconded by Mr. Sears and the motion carried 5-0.

While weather was challenging with a snow storm tonight, there were no formal comments received by the Selectmen's office by residents or abutters in opposition of this matter as of close of business today.

Stephen Barley—Hearing for Denial of Solicitor's License

Mr. Steven Barley was present at the meeting and in person agreed to withdraw his application for a solicitor's license without prejudice. The Board recognized and agreed on this request. It was explained to Mr. Barley that he can bring this request back to the Selectmen if he chooses to do so.

Residents

The Chair opened the meeting to residents present for their comments. No residents rose to speak in the audience.

New Business

2014 Selectmen's Meeting Dates

The Board agreed to the proposed dates as presented. The proposed dates for 2014 are:

January 7	June 3
January 28	June 17
February 11	July 15
February 25	August 12
March 11	September 9
March 25	September 23
April 5 – Annual Town Election	October 7 – Special Town Meeting
April 8	October 21
April 29	November 4
May 5 – Annual Town Meeting	November 18
May 7 –Special Town Meeting	December 2
May 20	December 16

Community Development Director—National Flood Insurance Program Coordinator

In a memo dated November 8, 2013 from Steve Sadwick, Director of Community Development, was a request to the Board of Selectmen to appoint Edward Johnson as the National Flood Insurance Program (NFIP) Coordinator for the Town of Tewksbury. Mr. Sadwick stated this is a position formerly held by the Town Engineer as part of the Stormwater Management Program; however given the nature of the NFIP requests, it appear that the Building Commissioner's office is more appropriate to address these requests. The Town Manager recommends this appointment.

Mr. Johnson requested a short report from the NFIP Coordinator to understand better how many residents/commercial owners are potentially in a flood zone. This is a very difficult issue nationally with insurance rates on the rise.

MOTION: Mr. Sears made the motion to appoint Edward Johnson as the Town of Tewksbury's National Flood Insurance Program Coordinator as recommended by the Town Manager and Mr. Steve Sadwick; seconded by Mr. Johnson and the motion carried 5-0.

Town Manager

Town Counsel Invoice—September, 2013

MOTION: Mr. Sears made the motion to approve the payment for Town Counsel's invoice in the amount of \$16,683.12 as recommended by the Town Manager; seconded by Mr. Johnson and the motion carried 5-0.

Redemption of 55 Algonquin Road

The property at 55 Algonquin Road has been redeemed from foreclosure and all taxes have been paid to the Town of Tewksbury.

MOTION: Mr. Sears made the motion to redeem the property located at 55 Algonquin Road, Map 85 Lot 100 as recommend by Kelly Odams Treasurer-Collector and the Town Manager; seconded by Mr. Johnson and the motion carried 5-0.

Policies and Procedures

Town Manager summarized the three policies, the Overall Financial Management Policies, Tewksbury Fraud Risk Assessment Policy and the Town of Tewksbury Investment Policy to the Selectmen. It was noted this has been an item on the "to do list" for quite some time and is an excellent blue print. It was suggested to publish these policies in the next warrant and continued to be made part of the warrant annually as it will help to guide town meeting. The Board encouraged the Town Manager to find a clear place on the website for this information, as it should be easily accessible to all. The policies were presented as follows:

TOWN OF TEWKSBURY OVERALL FINANCIAL MANAGEMENT POLICIES

Introduction

The following financial principles set forth the broad framework for overall fiscal planning and management of the Town of Tewksbury's resources. In addition, these principles address both current activities and long-term planning. The principles are intended to be advisory in nature and serve as a point of reference for all policy-makers, Managers and advisors. It is fully understood that Town Meeting retains the full right to appropriate funds and incur debt at levels it deems appropriate, subject of course to statutory limits such as Proposition 2 ½. The principles outlined in this policy are designed to ensure the Town's sound financial condition now and in the future. Sound Financial Condition may be defined as:

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

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

Definitions:

Fund Balance – The difference between assets and liabilities reported in a governmental fund. Also known as fund equity.

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

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

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

Overlay Surplus – Any balance in the overlay account of a given year in excess of the amount remaining to be collected or abated can be transferred into this account. Within ten days of a written

request by the chief executive officer of a city or town, the assessors must provide a certification of the excess amount of overlay available to transfer, if any. Overlay surplus may be appropriated for any lawful purpose. At the end of each fiscal year, unused overlay surplus is "closed" to surplus revenue; in other words, it becomes a part of free cash.

Net Assets Unrestricted (formerly Retained Earnings) – An equity account reflecting the accumulated earnings of an enterprise fund that may be used to fund capital improvements, to reimburse the general fund for prior year subsidies, to reduce user charges and to provide for enterprise revenue deficits (operating loss).

Recurring Revenue Source – A source of money used to support municipal expenditures, which by its nature can be relied upon, at some level, in future years.

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

Policy Statements:

1. The Town Manager shall annually prepare a balanced budget and comprehensive Budget Message as required by state law town charter and by-laws.
2. Budgets will be established, and funds managed, using “generally accepted” accounting principles.
3. Finances will be managed to maintain financial stability over the long term.
4. Maintain facilities and provide services at a level that will ensure the public well-being and the safety of residents.
5. The town will avoid budgetary procedures that balance current expenditures at the expense of meeting future year’s expenses, such as postponing expenditures, accruing future years’ revenues, or rolling over short-term debt.
6. Ongoing operating costs will be funded by ongoing operating revenue sources. This protects the Town from fluctuating service levels and avoids concern when one-time revenues are reduced or removed. In addition:
 - a. Fund Balances such as Certified Free Cash, Stabilization Fund, Overlay Surplus and Water and Sewer Net Assets Unrestricted (formerly Retained Earnings) should be used only for one-time expenditures such as capital improvements, capital equipment and unexpected or extraordinary expenses. In all cases, use of Fund Balances should be avoided for routine and recurring operational expenses.
 - b. Annually, after Free Cash Certification:
 - At least \$600,000 will be set aside for potential snow and ice deficit
 - At least \$350,000 will be set aside to be transferred into the Other Post-Employment Benefits Trust Fund
 - At least 25% of the remaining certified free cash will be used to fund the capital budget and one-time capital expenditures;
 - At least 25% of the remaining certified free cash will be placed in to the Stabilization Fund;

- c. New operating costs associated with capital projects should be funded through the operating budget but reflected in the capital improvement plan.

Fiscal conditions may affect the implementation of this policy. The allocations stated in this policy do not mean that additional funds cannot be allocated to the Stabilization Fund from Free Cash. It means that these are minimum amounts recommended for the certified Free Cash.

- 7. The Town will maintain a Stabilization Fund as its main financial reserve in the event of an emergency or extraordinary need and to be used to fund on-time expenses, capital projects or capital equipment. It shall be the goal of the town to achieve and maintain a balance in the Stabilization Fund of 3% to 5% of its operating budget.
- 8. Enterprise Funds pursuant to MGL Chapter 40, Section 39, shall be designed to generate sufficient revenues to support the full cost (direct and indirect) of operations and debt and provide debt service coverage, if applicable, and to ensure adequate and appropriate levels of working capital. Fees should be reviewed annually in relation to the cost of providing the service. Ongoing routine, preventive maintenance should be funded on a pay-as-you go basis. The term of debt for enterprise funds generally shall not exceed the useful life of the asset and in no case shall the term exceed thirty years. All enterprise funds shall maintain a reserve of Net Assets Unrestricted which is at a minimum from 3% to 5% of its operating budget.
- 9. Debt service payable, when taking into consideration debt, exempt from Proposition 2 ½ and financed directly with additional taxes, on an annual basis should be no more than 10% or less than 2% of the annual operating budget. The Town should strive to issue debt for shorter periods than the maximum allowable when the statutory limit exceeds 10 years. The requirements for debt financing shall be an expenditure of at least \$25,000 and a useful life in excess of five (5) years. The term of long-term debt generally shall not exceed the expected useful life of the capital asset being financed and, in no case, shall it exceed twenty years. Long-term debt should not be incurred without a clear identification of its financing sources. The General Fund Non-exempt Debt Service shall not exceed 10 percent of General Fund Revenues. Excess appropriated bond issues shall remain in the Capital Projects Fund at the end of a project completion until appropriated out by Town Meeting vote. Betterments may be assessed on all capital projects where applicable. The Town will attempt to maintain a long-term debt schedule so that at least 50 percent of outstanding principal will be paid within ten years.

We, the Town of Tewksbury Board of Selectmen, do hereby set our hands in approval of the above written Town of Tewksbury Financial Management Policy.

Scott D. Wilson, Chairman

Douglas W. Sears, Esq., Vice Chairman

James D. Wentworth, Clerk

David H. Gay

Todd R. Johnson, Esq.

DATE

MOTION: Mr. Johnson made the motion to adopt the Overall Financial Management Policies as recommend by the Town Manager; seconded by Mr. Sears and the motion carried 5-0.

FRAUD RISK ASSESSMENT POLICY

Applicability

This Policy applies to all employees of the Town of Tewksbury.

Fraud

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

Misappropriation of Assets

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

Fraudulent Financial Reporting

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

Expenditures and Liabilities for Improper Purpose

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

General Policy and Responsibilities

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

The Town Manager has the primary responsibility for overseeing the investigation of all suspected fraudulent acts defined in this policy. The Town Manager will immediately notify the Board of Selectmen.

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

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

Procedures for Reporting

Any employee who has knowledge of any occurrence of fraudulent conduct, or has reason to suspect that a fraud has occurred, shall immediately notify the Town Manager in writing. The written report should be sufficiently detailed and inclusive to ensure a clear understanding of the issues raised. In cases where the employee has a reason to believe the Town Accountant and/or Finance Director may be involved, the employee shall immediately notify the Town Manager unless the Town Manager is also believed to be involved, then the Chairman of Board of Selectmen should immediately be notified. However, in certain circumstances, it may be appropriate for employees to report suspected instances of fraud or irregularity directly to the Chief of Police.

Investigation

Upon notification or discovery of a suspected fraud, the Town Manager shall immediately investigate the fraud. The Town Manager will make every reasonable effort to keep the investigation confidential. When deemed necessary, the Town Manager shall coordinate the investigation with the internal auditor and/or appropriate law enforcement officials. Legal Counsel will be involved in the process, as deemed appropriate.

Security of Evidence

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

Confidentiality

All participants and all persons questioned in a fraud investigation shall keep the details and results of the investigation confidential so as not to violate an individual's expectation of privacy. The individual will be notified of his/her right to inform the Union President about the findings of the investigation.

Personnel Actions

If a 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 Manager.

Whistle-Blower Protection

No employee of the Town or person acting on behalf of the Town in attempting to comply with this policy shall:

- be dismissed or threatened with dismissal;
- be disciplined, suspended, or threatened with discipline or suspension;
- be penalized or any other retribution imposed, or
- be intimidated or coerced,

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

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

We, the Town of Tewksbury Board of Selectmen, do hereby set our hands in approval of the above written Town of Tewksbury Fraud Risk Assessment Policy.

Scott D. Wilson, Chairman

Douglas W. Sears, Esq., Vice Chairman

James D. Wentworth, Clerk

David H. Gay

Todd R. Johnson, Esq.

Date Adopted

The Town Manager stated he will take these issues seriously and will take actions as noted in the policy. One change to this policy will be the notification. Currently the policy stated the Town Manger will notify the Chair of the Board of Selectmen, and Mr. Montuori will correct this to state will notify the entire Board of Selectmen. The auditors and the Finance Committee did review all of the policies before presented tonight.

MOTION: Mr. Johnson made the motion to adopt the Fraud Risk Assessment Policy with an edit on page two under Procedure for Reporting to remove the words “the Chairman of”. The recommendation for adoption is supported by the Town Manager; seconded by Mr. Sears and the motion carried 5-0.

TOWN OF TEWKSBURY INVESTMENT POLICY

Purpose

The purpose of this policy is to establish guidelines that oversee the management of the Town's investments being defined as cash, cash equivalents, short-term investments and long-term investments. These guidelines shall include:

- Identifying the Town's cash management strategies
- Identifying the Town's investment goals, including its investment strategies and objectives
- Establishing and maintaining appropriate internal controls encompassing effective operational procedures

Scope

This policy shall apply to all funds maintained by the Town's Treasurer including the general fund, special revenue funds, debt service funds, capital project funds, trust and agency funds, the Town's enterprise funds, and other funds unless specifically exempt.

Investment Objectives

Short Term Operating Funds-General Funds:

Massachusetts General Law Chapter 44, Section 55B requires the Town Treasurer to invest all public funds except those required to be kept liquid for purposes of immediate distribution.

Funds are to be placed at the highest possible rate of interest reasonably available, taking account safety, liquidity and yield. Therefore, these guidelines are intended to further the objective of securing the highest return that is consistent with safety of principal while meeting the daily cash requirements for the operation of the Town's business.

The primary objectives, in priority order, shall be:

- **Safety**-Safeguarding principal is the primary objective of the Town's investment policy. Investments shall be made in a manner that preserves the portfolio's capital/principal investment. In consideration of maximizing safety objectives; the Town shall minimize both credit and interest rate risks. The Town will minimize interest rate risk by diversifying in a "laddered" type of investment to spread out maturities of Certificates of Deposit, Treasuries and Government Agency Bonds.
- **Liquidity**-The investment portfolio shall remain sufficiently liquid to meet all operating requirements. The Treasurer shall consider both static and dynamic liquidity when measuring liquidity. Additionally, a portion of the portfolio shall be maintained in money market and local government investment pools, e.g. the Massachusetts Municipal Depository Trust (MMDT).
 - Static Liquidity; structuring the portfolio in order to match investment maturities with anticipated uses.
 - Dynamic Liquidity; maintaining investments with active secondary and resale markets.
- **Yield**-The investment portfolio shall be designed with the objective of attaining a market rate of return taking into account the investment risk constraints and liquidity needs. The Town's investments shall be restricted to the list of legal investments as maintained by the Division of Banks as proscribed by MGL Chapter 167, Section 15A & B for Trust and Agency Funds and Chapter 314 for the General Fund. No exceptions to this list shall or can be approved.

- Local Considerations-funds may be invested for the betterment of the local economy provided that such investments provide, and can demonstrate, a direct community benefit.

Short Term Investment Instruments-General Funds

Public investments in Massachusetts are not protected through provisions in State law. Therefore, they are largely uncollateralized. Many banking institutions are willing to put up collateral, although at a cost to the town of a lower interest rate. The Treasurer negotiates for the highest rates possible, consistent with safety principles.

The Treasurer may invest in the following instruments:

1. Massachusetts State pooled fund: Unlimited amounts
2. U.S. Treasuries that will be held to maturity: Unlimited amounts (up to one year maturity from date of purchase)
3. U.S. Agency obligations that will be held to maturity: Unlimited amounts (up to one year maturity from date purchased)
4. Bank accounts of Certificates of Deposit: Unlimited amounts (up to one year insured by F.D.I.C. and in some cases also the Depository Insurance Fund of Massachusetts)
5. Unsecured bank deposits of any kind such as checking, savings, money market, or Certificates of Deposit accounts at banks that do not fit the above categories. These investments are subject to the following limitations: These investments will be limited to no more that (five) 5% of an institution's assets and no more than (ten) 10% of a municipality's cash. Their credit worthiness will be tracked by Veribanc or other bank credit worthiness reporting systems, and they will be diversified as much as possible. Exceeding these limits will place the excess amounts on a watch list.

Trust and Stabilization Funds

Trust Funds may be co-mingled and invested in any instrument allowed by the Legal List issued by the Banking Commissioner. Each trust fund must be accounted for separately. Stabilization funds shall not exceed (ten) 10% of the equalized valuation of the Town, and any interest shall be added to and become a part of the fund. The Treasurer may invest the proceeds in the following:

- National Banks
- Savings Banks
- Cooperative banks or trust companies organized under Massachusetts laws
- Securities legal for savings banks as described on the Legal List
- Federal Savings and Loan Association situated in the Commonwealth
- Massachusetts Municipal Depository Trust
- Equity Holdings from Division of Banks-List of Legal Investments

Investment Parameters

It is the policy of the Town to diversify its investment portfolio. To eliminate risk of loss resulting from an over-concentration of assets, all investment securities shall be diversified by asset class, maturity, issuer, and class of security. Diversification and asset classification strategies shall be determined, reviewed at least quarterly, and revised when appropriate.

In establishing asset allocation strategies, the following components shall be considered:

- Equities, fixed income, and cash investments
- Equity holdings will adhere to Division of Banks-List of Legal Investments

- Bond maturities shall be staggered and provide stability of income and liquidity
- Risks of market volatility shall be controlled through equity and maturity diversification

Equity Allocation

Equity holdings will be permitted in Pooled Trust funds (including Stabilization). Holdings shall be selected from the Division of Banks-List of Legal Investments. The Treasurer will work with the Town’s financial advisor to determine appropriate allocations.

Equity Allocation Parameters

<u>Account</u>	<u>Minimum (%)</u>	<u>Target (%)</u>	<u>Maximum (%)</u>
Cemetery Funds	0	12	30
Conservation Funds	0	12	30
Escrow Accounts	0	12	30
Library Funds	0	12	30
Miscellaneous Funds	0	12	30
Planning Board	0	12	30
Scholarship Funds	0	12	30
Stabilization Funds	0	12	30
Community Preservation	0	12	30

Operational Procedures and Internal Controls

Authorized Financial Institutions-The Town shall only conduct business with qualified/authorized financial institutions as recommended by GFOA best practices.

Karen Kucala
Finance Director

Kelly Odams
Treasurer/Collector

We, the Town of Tewksbury Board of Selectmen, do hereby set our hands in approval of the above written Town of Tewksbury Investment Policy statement.

Scott D. Wilson, Chairman

Douglas W. Sears, Esq., Vice Chairman

James D. Wentworth, Clerk

David H. Gay

Todd R. Johnson, Esq.

Date Adopted

This town's investment policy outlines the strategy the town will take to invest funds. Financial advisors and auditors recommend this to be adopted and will be a plus for the rating agencies.

MOTION: Mr. Sears made the motion to adopt the Town of Tewksbury Investment Policy as recommend by the Town Manager; seconded by Mr. Johnson and the motion carried 5-0.

Minutes

Outstanding Minutes: October 1, 2013 (regular session), October 10, 2013 (regular and executive session); October 29, 2013 (regular session); November 2, 2013 (regular session), November 4, 2013 (regular session), November 5, 2013 (regular session); November 19, 2013 (regular session); December 3, 2013 (regular session)

MOTION: Mr. Wentworth made the motion to approve the minutes of October 1, 2013 regular session as presented; seconded by Mr. Sears and the motion carried 5-0.

MOTION: Mr. Wentworth made the motion to approve the minutes of October 10, 2013 regular and executive session as presented; seconded by Mr. Johnson and the motion carried 5-0.

MOTION: Mr. Wentworth made the motion to approve the minutes of November 2, 2013 regular session as presented; seconded by Mr. Johnson and the motion carried 5-0.

MOTION: Mr. Wentworth made the motion to approve the minutes of November 4, 2013 regular session as presented; seconded by Mr. Sears and the motion carried 5-0.

MOTION: Mr. Wentworth made the motion to approve the minutes of November 5, 2013 regular session as presented; seconded by Mr. Johnson and the motion carried 5-0.

MOTION: Mr. Wentworth made the motion to approve the minutes of November 19, 2013 regular session as presented; seconded by Mr. Gay and the motion carried 5-0.

The minutes of October 29, 2013 were approved on November 19 and the minutes for December 3, 2013 need to be completed and will be presented at the next meeting

Board Member Reports

James Wentworth:

- Congratulations to Redmen Football Team! To players, cheerleaders and parents for a great season!
- Beautification Committee had a meeting with Billerica House of Correction and discussed utilizing some their work groups to do maintenance on town owned land such as Rogers Park.

Douglas Sears:

- Merry Christmas and Happy New Year!
- When the State Delegation is invited to a future meeting the ambulance situation at Tewksbury Hospital needs to be on the agenda and well as State Aid.
- Requested an update on the land transfer, and Mr. Montuori reported we are still at the same place as were in 1967; it is not processed and it has been frustrating. Letters have been sent, appraisals have been done, but no amounts have been forthcoming from the Commonwealth. Mr. Sears suggested also adding this to the delegation agenda.
- Requested an update on tax bills being paid for license renewals. Mr. Montuori did not have an update at this time, will update at next meeting.
- Tewksbury Beautification committee elected officers and is a very enthusiastic group!

David Gay:

- December 7 Holiday Event was very successful considering there was another huge event was happening at the same time. Thanked all press for their great reports, noting there are so many to thank. It was truly the best collaborative event this town has. Over 400 people attended. So many involved in preparations and donations and all the vendors who came out to support were fantastic. The committee will have a follow-up meeting in January.

Todd Johnson

- Update residents on what the course of action is and was time to vacate town hall with current temps. Mr. Montuori explained the heat is not working as consistently as it should so currently the building is not efficient to use. Started breaking into the walls for preconstruction and in its current state the town hall is not in good condition for meetings. For business purposes it has been shut down completely. The Pike House is a good location with a productive meeting room to broadcast live or taped. Don't typically have large crowds at meetings, if a large crowd is anticipated the Selectmen will locate to another building ahead of time. All meetings will be taped until Mr. Dermody and the IT Director determine a live broadcast feed and hope will have this by the end of the month. They will be working with a software install, but if it doesn't work will contact providers Verizon and Comcast to do a live feed. The live feed will cost \$15 to \$20K. The goal is to be live for all board meetings, such as Selectmen, Conservation Committee, Planning Board and Zoning Board of Appeals, etc.
- Requested a fire apparatus update, and Mr. Montuori responded there is not much to report as we are still borrowing two engines still from Wilmington. Meeting with Chief this week to discussed if refurbishing the current trucks would be an option, but not sure it makes sense to do either truck. Should have a decision by end of week. Currently researching leased trucks that to ensure will be available to Tewksbury. At this time if the town needs to buy two trucks, it will take six months to complete transaction. Would need to have a town meeting earlier than May. Wilmington has been very generous. It is up to Town Meeting to decide what course of action is taken
- School Building Committee was not approved for grant.

- Met with Mass Highway for remediation and improvement of Route 38 was difficult discussion and not encouraging. Likely no funding anytime soon. Articles written in the press after that meeting noted there will be many projects on hold. There was a better understanding of the process and a great undertaking but needs to take place for road repairs to be initiated. A meeting with the delegation needs to be scheduled as this topic is important to discuss with both Senator Feingold and Representative Miceli, as they were present for meeting with Mass Highway.
- Holiday wishes to all in town!

Scott Wilson:

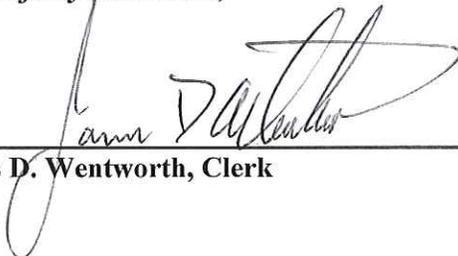
- Cultural Committee grant was received in the amount of \$900 to support lecture/talks on beautification
- Tremendous amount of work in front of the Board as is something that want to see improved and goal is to work hard and work with all agencies and bring together to move forward.
- An informational note to the community: the Selectmen will hold their holiday celebration on Thursday evening and whenever there are more than three members together the Board would like to disclose there will be not business discussed during this event.

The next regularly scheduled Selectmen's Meeting will be held on Tuesday, January 7, 2014 at 7:00 p.m.

Adjournment

MOTION: Mr. Sears made the motion for the Board to adjourn at 8:53 p.m.; Mr. Gay seconded, and the motion carried 5 to 0.

Respectfully submitted,



 James D. Wentworth, Clerk

1/21/14

 Date