

**Town of Mashpee Board of Selectmen
Policy Number 072**

Capital Improvement Policy

I. POLICY

Upon the annual certification of Undesignated Funds (Free Cash) and at the first town meeting following said certification, the Town will ask the voters to appropriate 15% of those certified funds into the Capital Stabilization Fund to be used for future capital use. A majority vote will be required for this appropriation. It is the intention to use the Capital Stabilization funds for capital expenditures of \$200,000 or less. Possible funding options for major capital items, as well as the financial impacts of those options, will be identified by the Town Manager and Finance Team prior to the start of each fiscal year's capital review process.

II. PURPOSE

The purpose of this policy is to provide a strategy for the maintenance, replacement, and construction of the community's major public assets, such as municipal buildings, roadways, parks, and any other infrastructure for which they are responsible. Major public assets are defined in Chapter 6, Article VII, §6-14, of the Mashpee By-laws, as "the acquisition of land or any expenditure of \$25,000 with a useful life of at least three (3) years". This policy exists to ensure the Town will maintain its assets at a level adequate to protect the Town's capital investment, and to minimize future maintenance and replacement costs.

III. PROCEDURE

- A. Each fiscal year, the Town Manager will distribute guidelines and forms for capital expenditure submissions to all departments for the upcoming fiscal year and the five years following. Requests for capital equipment will detail the need for the equipment, whether it is a replacement or new, as well as the estimated useful life of the equipment given the historical use and method of replacement.
- B. Capital needs related to Town buildings and facilities will be determined by the Planning and Construction Committee as outlined in Section 5-7 (b) of the Mashpee Town Charter.
- C. All capital requests will be submitted to the Office of the Town Manager in the manner and time period noted in the guidelines distributed. All requests will be consolidated into that fiscal year's Capital Improvement Program, to be reviewed by the Capital Improvement Program Committee, as outlined in Chapter 6, Article VII, §6-14 of the Mashpee By-laws.
- D. The Capital Improvement Program Committee will review all requests and recommend to the Town Manager those capital items it determines to be of priority in the ensuing fiscal year, by the 2nd Monday in January, as outlined in Chapter 6, Article VII, §6-15(A) of the Mashpee By-laws. Recommendations will include the suggested funding mechanism (i.e. Capital Stabilization Fund, capital bond, etc.) for each project. The Town Manager will follow the process as outlined in Chapter 6, Article VII, §6-15 of the Mashpee By-laws, with the required two-thirds vote of approval at the annual town meeting.

*Adopted by the
Mashpee Board of Selectmen
September 11, 2017
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