

ADOPTED YEAR 2020/2021

ROADWAY MAINTENANCE PROGRAM

PROJECT ESTIMATES		FUND 08 TAR \$	FUND 01 TOWN \$	FUND 02 TOWN \$	TOTAL \$
SNOW AND ICE CONTROL					
Highway					
Treated Salt:	1,975 tons @ \$90.00	\$177,750			
General Public					
Sand:	10 yards @ \$18.00	\$ 180			
Treated Salt:	4 tons @ \$90.00	\$ 360			
		\$ 540			
TOTAL SAND	10 yards @ \$18.00	\$ 180	\$ 180	--	\$ 180
TOTAL TREATED SALT	1,979 tons @ \$90.00	\$178,110	\$178,110	--	\$178,110
WEATHER SERVICE		\$ 1,710	\$ 1,710	--	\$ 1,710
		<u>\$180,000</u>	<u>* \$180,000</u>	--	<u>\$180,000</u>

SOURCE/ALLOCATION OF FUNDING		STATE FUNDS \$	TOWN FUNDS \$	TOTAL \$
A. Snow and Ice Control				
1) Town Aid Road *	08-3103-52239	\$ 180,000	--	\$ 180,000
2) Town General Fund	01-3101-52239	--	--	--
	Sub Total	<u>\$ 180,000</u>	--	<u>\$ 180,000</u>
B. Road Surface Maintenance				
1) LOCIP: Fund 11 **	11-8501-52189	\$ 127,104	--	\$ 127,104
2) Capital Projects Fund	02-4831-53003	--	--	--
3) Town Aid Road *	08-4831-53003	132,623	--	132,623
	Sub Total	<u>\$ 259,727</u>	--	<u>\$ 259,727</u>
C. Drainage				
1) Capital Projects Fund	02-4830-53002	--	--	--
	02-4830-53041	--	--	--
	Sub Total	--	--	--
D. Construction/Reconstruction ***				
1) Cider Brook Bridge Rpl.	03-4930-53430	--	\$ 149,618	\$ 149,618
	Sub Total	--	<u>\$ 149,618</u>	<u>149,618</u>
	Grand Total	<u>\$ 439,727</u>	<u>\$ 149,618</u>	<u>\$ 589,345</u>

ADOPTED

FISCAL YEAR 2020/2021

ROAD IMPROVEMENT PROGRAM

PROJECT	TAR FUND 08 \$	LOCIP FUND 11 \$	TOWN \$	TOTAL \$
1. ROAD SURFACE MAINTENANCE				
a. Chip Seal: None scheduled this year				
b. Mill & Overlay: TBD	\$132,623	\$127,104	--	\$259,727
c. Crack Sealing:	--	--	--	--
2. DRAINAGE IMPROVEMENTS:	--	--	--	--
3. CONSTRUCTION / RECONSTRUCTION:	--	--	\$149,618	\$149,618
Cider Brook Bridge Replacement				
SUB-TOTAL (S. 2)	*\$ 132,623	**\$ 127,104	***\$149,618	<u>\$ 409,345</u>
SUB-TOTAL (S. 1)	*\$ 180,000	--	--	<u>\$ 180,000</u>
GRAND TOTAL	<u>*\$ 312,623</u>	<u>**\$ 127,104</u>	<u>***\$149,618</u>	<u>\$ 589,345</u>

CHART OF ACCOUNTS

Listed below are the code of accounts that identify the individual line items for:

Fund Classification and Description:

- | | |
|----|---|
| 1 | General Fund |
| 2 | Capital Projects Fund (Facilities & Equipment) |
| 3 | Capital & Nonrecurring Expenditure Fund |
| 4 | Forest Park Management Fund |
| 5 | Sewer Fund |
| 6 | Open Space Fees Fund |
| 7 | Police Special Services Fund |
| 8 | Town Road Aid Fund |
| 9 | Recreation Activities Fund |
| 10 | Medical Claims Internal Service Fund |
| 11 | Local Capital Improvement Program (LoCIP) |
| 12 | Fisher Meadow Maintenance Fund |
| 13 | State & Federal Education Grants |
| 14 | School Cafeteria Fund |
| 15 | Use of School Facilities Fund |
| 16 | Post Retiree Employee Medical Benefits Reserve Fund |
| 17 | Compensated Absences Debt Service Fund |
| 18 | Pension Trust Fund |
| 19 | OPEB Trust Fund |
| 20 | Athletic Program Participation |
| 25 | Donations Fund |
| 32 | CPACE Clean Energy AG FD |
| 34 | Police Cadet Program AG FD |
| 35 | Compliance Bond Assets Held AG |
| 37 | Asset Forfeiture |
| 45 | POMSF |
| 77 | PY Encumbrances |

CHART OF ACCOUNTS

Revenues Classification and Description:

310	Property Taxes and Assessments
320	Licenses and Permits
330	State and Federal Grants
340	Charges for Services
350	Fines and Forfeits
360	Other Local Revenues
390	Other Financing Sources

Revenues Function / Program (cont.):

Taxes and Assessments:

43110 Current Levy
43111 Suppl. Real Estate
43112 Suppl. Motor Vehicle
43113 Prior Levies
43114 Uncollectible: Current Levy
43115 Marshal Fees Collected
43120 Refund Property Taxes
43190 Interest and Penalties
43352 Telephone Gross Receipts
43441 Sewer Assessments
43480 Water Main Interest

Licenses, Fees and Permits:

43212 Police Protection
43221 Building, Struct. and Equip.
43222 Hunting and Fishing
43223 Animal Licenses
43224 Street and Curb
43411 Recording and Conveyance
43412 Conservation and Development
43413 Sale: Maps/Publications/Copies
43414 LoCAP Recording Fee
43415 MERS Land Recording Fee
43444 Inspection & Permits

CHART OF ACCOUNTS

Revenues Function / Program (cont.):

Intergovernmental:

43341 Equalized Cost Sharing
43343 Education Program Grants
43349 Pequot Funds
43353 Town Aid Road Fund
43356 Cafeteria-BOE
43359 Property Tax Relief-Elderly
43361 Grants in Lieu of Taxes
43362 Veteran Reimbursement
43365 LOCIP Fund
43383 Youth Services Grant
43385 SLA EMPG REMBRSMNT, EHSM1
43386 Judicial Brnch 51-56
43392 STEAP Streetscape Center
43410 Misc. State Grant Receipts
43665 Old Farms Rd LRFD 04-116 Rev
44001 Education Grants- General
44004 Title I - IBP
44005 Title II Part A Teachers
44006 IDEA 611 Part B 20977
44007 Preschool IDEA 619 20983
44009 SHEFF Settlement 12457
44010 Adult Education Cooperative
44006 IDEA 611 Part B
44004 Title I Improving Basic Programs
44007 Preschool-IDEA 619
44008 Immigrant Grant
44009 SHEF Settlement
43410 Miscellaneous State Grant Receipts
44018 Youth Svs Enh 16201
44020 Child Nutrition 16211
44032 Municipal Stabilization Grant
44034 AT&T Grant- BOE

Charges for Current Services:

43421 Police Services
43422 Accident Reports-Photos
43424 Animal Pound Fee
43433 Landfill (Residential) Fees
43435 Landfill - Bulky Waste/Other
43441 Sewer Assessments
43442 Sewer Connection Charges
43443 Sewer Use Charges
43444 Inspections & Permits

Charges for Current Services:

43451 Vital Statistics
43470 Organized Summer Programs
43471 Swim Fees
43472 Fees: Non-reimbursable Rec
43473 Fees: Reimbursable Rec
43475 Maintenance Fees
43481 BOE Cafeteria Sales
43484 Senior Rec. Activities
43485 BOE Athletic Game Receipts/Pay to Play
43619 BOE Use of School Facilities
43501 Courts
43502 Library
43505 BOE Employee Bnft Contrb, Dent/Life
43506 BOE Miscellaneous Receipts
43507 BOE Tuition Recpts-Par Pd (pre K Prog)
43509 BOE Team Mentor Prg. State Payments
43510 BOE Cafeteria Rent Receipts
43511 BOE AHS Parking Fees
43512 Refunds & Reimbursements
43513 BOE Special Education Tuition
43515 Sewer Use: Int. & Liens
43516 Sewer Assess: Int. & Liens
43624 BOE Retiree Bnft Contrb, Dent/Life
43625 BOE Retiree Contributions
43626 BOE Cobra Contributions
43627 BOE Employee Contributions
43628 BOE Employer Contributions
43635 AETNA Town-Cover Deficit
43646 Sewer Deposits
43651 Donations & Grants, Private Sources
43652 Open Space Fees in Lieu of Dedication
43657 Interlocal Program Funding
43664 Field Advertising Program Rev
43910 Salvage and Demolition Sales
43911 Sale of Property
43912 Miscellaneous Funds
43940 Admin Allowance ICMA
46110 CPACE Collections

CHART OF ACCOUNTS

Revenues Function / Program (cont.):

Other Local Revenues:

43514 BOE Mut'l Fds Inv Div Gain/Loss
43580 Town R/U Webster
43600 Int Inc BOE Webster
43601 Inv R/U Town Aetna G/L
43602 Interest Town Aetna
43603 Interest Town Webster
43605 Interest BOE Aetna GIC
43607 Int R/U BOE Mutual FDS Webster
43611 Investment Interest
43612 Refunds & Reimbursements
43613 Refunds & Reimbursements
43615 Sewer Use - Interest & Liens
43616 Sewer Assessments -Interest & Liens
43617 Lease at Fisher Meadows/Farm
43619 Rents & Reimbursements
43620 Town Retiree Contributions
43622 Town Employee Contributions
43623 Town Employer Contributions
43651 Donations & Grants, Private Source
43651 Donations & Grants, Private Source
43651 Donations & Grants, Private Source
43657 Interlocal Program Funding
43664 Field Advertising Revenue
43910 Salvage and Demolition Sales
43911 Sale of Property
43912 Miscellaneous
43940 Admin Allowance ICMA

Other Financing Sources:

43913 Use of Unassigned Fund Bal.

CHART OF ACCOUNTS

Expenditures Classification and Description:

11	Legislative	21	Police Protection
1101	Town Council	2101	Police - Admin. Services
		2103	Criminal Investigation
		2105	Youth Services
12	Executive	2107	Patrol Services
1201	Town Manager	2109	Special Services
		2111	Police Station
13	Judicial		
1301	Probate		
		2113	Traffic Control
14	Elections	2154	Ambulance Services
1401	Registrar of Voters		
1403	Elections & Referenda	22	Fire Protection
		2201	Fire Prevention
15	Legal	2203	Fire Fighting
1501	Legal Services	2205	Fire Stations
16	Records & Reporting	23	Communications
1601	Records & Vital (Town Clerk)	2301	Communications
17	Office Buildings	24	Protective Inspection
1701	Town Hall	2401	Building Inspection
18	Human Resources	25	Other Protection
1801	Human Resources	2501	Emergency Management
19	Finance	2503	Canine Control
1900	Finance - Admins.	2505	Street Lighting
1901	Accounting		
1903	Independent Audit	30	Public Works Administration
1905	Assessment	3001	Public Works - Admin.
1907	Revenue Collection		
1909	Cust. & Dist. Funds	31	Highways
1911	Board of Finance	3101	Roadways
1913	Board of Assessment Appeals	3103	Snow & Ice Removal
1920	Information Technology		
		32	Sanitation
		3201	Solid Waste Disposal
		3203	Solid Waste Collection
		3205	Sewage Coll. & Disp.

CHART OF ACCOUNTS

Expenditures Classification and Description (cont.):

33	Machinery & Equipment		
3301	Machinery & Equipment	61	Library
		6101	Library
34	Buildings & Grounds		
3401	Buildings & Grounds		
35	Engineering	71	Planning & Zoning
3501	Engineering	7101	Planning
		7103	Zoning Board of Appeals
41	Conservation of Health		
4101	Regulation & Inspection		
4103	Public Health Nursing	72	Conservation & Natural Resources
		7201	Natural Resources
		7203	Inlands Wetlands
42	Social Services		
4203	Human Services	81	Claims & Losses
		8101	Claims & Losses
48	Capital Projects	84	Municipal Insurance
4829-4899		8401	Municipal Insurance
49	Capital & Nonrecurring		
4930-4999		86	Intergovernmental Expenditures
	Project names for all Capital Projects are assigned for the life of the project and may be reassigned and reused in the Capital Improvement Program.		
51	Recreation	87	Contingency
5101	Recreation - Admin.	8700	Other Financing Uses
5103	Summer Programs	8701	Contingency
5105	Swimming Programs		
5107	Recreation - Activities	91	Debt Service
		9101	Bonds & Notes
52	Parks		
5201	Parks	94	Board of Education
		9401	Board of Education
53	Senior Citizens		
5301	Senior Citizens		
54	Community Activities		
5401	Community Activities		

CHART OF ACCOUNTS

Expenditures Function / Program:

Personal Services:

- .5101 Wages and Salaries
 - .51010 Election worker pay
 - .51011 Regular full-time
 - .51012 Regular part-time
 - .51013 Temporary full-time
 - .51014 Temporary part-time
 - .51015 Overtime
 - .51019 Other

- .5103 Employee Benefits
 - .51031 FICA (Social Security)
 - .51032 Retirement
 - .51033 Hospitalization
 - .51034 Dental Insurance
 - .51035 Life Insurance
 - .51036 Workers Compensation Insurance
 - .51037 Long Term Disability
 - .51038 Defined Contribution
 - .51039 Retiree Health
 - .51040 Life/LTD Insurance
 - .51043 Payments in Lieu of Coverage

Services and Supplies:

- .5210 Auto Allowance - Annual allotment for private vehicles and mileage allowance for use of private vehicles on local routine business.
 - .52101 Annual Allotment
 - .52102 Mileage
 - .52109 Other

- .5211 Travel and Meeting Expense - Local, regional and national meetings, including transportation, lodging and meals. Also, business expense related to the activity of the department.
 - .52111 Mileage and Tolls
 - .52112 Lodging
 - .52113 Meals
 - .52119 Other

- .5212 Advertising - Notices of public hearings, invitations to bid, recruitment ads, publishing ordinances, et cetera.
 - .52121 Recruiting
 - .52122 Legal
 - .52129 Other

CHART OF ACCOUNTS

Expenditures Function / Program (cont.):

Services and Supplies (cont.):

- .5213 Membership Fees - Professional association dues and subscriptions, league and tournament fees.
 - .52131 Employee professional associations
 - .52132 State or regional service agencies
 - .52139 Other
- .5214 Books and Periodicals - Acquisition of technical books, newspaper subscriptions, library books and records, special reports, other publications
 - .52141 Books and Periodicals
- .5215 Recruitment and Training - Cost of special training schools, conference registration fees, educational seminars, recruitment examinations and interviews, in-service training courses.
 - .52151 Recruitment
 - .52155 Professional Development
 - .52159 Other
- .5216 Grants and Contributions - Payments to C.R.C.O.G., F.V.V.N.A., Secret Lake Association, Regional programs, et cetera.
 - .52161 Town organizations
 - .52162 Regional programs
 - .52169 Other
- .5217 Utilities - Payments for water, gas, heating oil, electricity, telephone, teletype, et cetera.
 - .52171 Water
 - .52172 Natural Gas
 - .52173 Sewers
 - .52174 Heating Oil
 - .52175 Electricity
 - .52176 Telephone
 - .52179 Other
- .5218 Contractual Services and Printing - Cost of outside services for printing, insurance, consulting and technical services, microfilming, photographing and medical expenses, laundry and cleaning.
 - .52181 Printing
 - .52182 Insurance
 - .52183 Legal Fees and Expenses
 - .52184 Consulting and Technical services
 - .52185 General Services
 - .52186 Microfilming and photographing
 - .52187 Medical
 - .52188 Uniform rental and Cleaning
 - .52189 Other

CHART OF ACCOUNTS

Expenditures Function / Program (cont.):

Services and Supplies (cont.):

- .5219 Rentals - Fees paid for the use of land, buildings, and equipment.
 - .52191 Land
 - .52192 Building
 - .52193 Copy Machine
 - .52194 Equipment
 - .52199 Other

- .5220 Equipment Operation and Maintenance - Cost of material and services required for operating and maintaining town-owned equipment including all vehicles, equipment, radios, et cetera. This includes gas, oil, tires and parts, office machine maintenance contracts.
 - .52201 Motor Fuels
 - .52202 Motor Oil
 - .52203 Tires
 - .52204 Parts and Repairs
 - .52205 Office machine maintenance contracts
 - .52206 Computer Operations
 - .52207 GIS - Geographic Information System
 - .52209 Other

- .5221 Repairs and Maintenance - Cost of materials and services to repair and maintain all Town-owned facilities, including land, buildings, streets, drains, and sidewalks.
 - .52211 Streets
 - .52212 Buildings
 - .52213 Land
 - .52214 Drains
 - .52215 Sidewalks
 - .52219 Other

- .5222 Postage - Cost of all postal fees and permits.
 - .52221 Postage

- .5223 Materials and Supplies - Cost of materials and supplies other than those for the operation and maintenance of equipment and Town-owned facilities. This account to include the cost of record books, office supplies, new uniforms, tools, and other departmental operating supplies. Included also are such items as photo supplies, engineering and planning supplies, sand and salt for snow removal, welding supplies, arts and crafts supplies, et cetera.
 - .52231 Office
 - .52232 Tools
 - .52233 Photo
 - .52234 Engineering and Planning
 - .52235 Recreational
 - .52236 Automotive
 - .52237 Ammunition
 - .52238 Uniforms
 - .52239 Other

CHART OF ACCOUNTS

Expenditures Function / Program (cont.):

Capital Outlay:

- .5330 Office Equipment - Cost of office furniture and equipment such as desks, file cabinets, typewriters, et cetera.
 - .53301 Furniture
 - .53302 Computer
 - .53309 Other

- .5331 Department Equipment - Cost of cars, trucks, radios, testing equipment, recreation equipment, etc.
 - .53311 Vehicles
 - .53312 Maintenance equipment
 - .53313 Radios
 - .53314 Testing and Technical Equipment
 - .53315 Recreation Equipment
 - .53316 Surplus Equipment
 - .53319 Other

ADMINISTRATIVE POLICY MEMORANDA

GENERAL ADMINISTRATION	
1.1	Preparation and Issuance of Policy Memoranda
1.2	Filing of Work Orders
1.3	Smoking Policy
1.4	Employee Safety
1.5	Records Management Retention & Disposition
1.6	Donation to the Town of Avon
1.7	Drug-Free Workplace
ACCOUNTING	
2.1	Revenue Collection Report and Procedures
2.2	Personal Use of Photocopying Machines
2.3	MOU between Town of Avon and Board of Education re: Administration of a Self-Insured Medical Claims Fund
2.4	Payments to Collector of Revenue
2.5	Anniversary Step Increases
2.6	Revolving Accounts
2.7	Administrative Charges for Avon Police Services
2.8	Deferral of Severance Wages to Next Calendar Year
2.9	Exchange of Unused Vacation and Sick Leave for Defined Benefit Pension Credit
2.10	Interest Gain (Loss) Due to Delays or Errors in Posting Retirement Contributions, For 457 Plan Accounts, 401(a), Roth IRA, and Similar Plans
2.11	Administrative Charges for Fire Prevention Services
BUDGETING & PURCHASING	
3.1	Purchasing Procedures
3.2	Expense Approvals
PERSONNEL	
4.1	Leave Request Form
4.2	Periodic Time Report
4.3	Compensation for Clerks of Boards, Commissions & Committees
4.4	Probationary Performance Reports
4.5	Safety Footwear
4.6	No Gift Policy
4.7	Mileage Report Forms
4.8	Sexual Harassment Policy
4.9	Office Procedure
4.10	Payment in Lieu of Insurance Coverage
4.11	Town Employees as Volunteer Firefighters in Other Towns
4.12	Post-Marital / Domestic Partner Health Care Coverage
4.13	Sick Leave Bank Donation Non-Organized Employees
4.14	Snow Policy
4.15	Identification Badges
4.16	Violence Prevention in the Workplace
TRAVEL & TRANSPORTATION	
7.1	Operation of Town Gasoline Pump
7.2	Seat Belt Policy
7.3	Use of Employer-Provided Vehicles
7.4	Mass Notification System
INSURANCE	
8.1	Reporting Job-Related Accidents

CONSTRUCTION & MAINTENANCE OF PUBLIC FACILITIES	
9.1	Administration of Water Main Assessments
9.2	Issuance of Keys to Town Parks and Park Buildings
9.3	Winter Maintenance of Unaccepted Highways
9.4	Use & Maintenance of Fire Escapes, Town Buildings
GENERAL INFORMATION	
10.1	Use of Landfill by Non-Permit Holders
10.2	Telephone and Cellular Log
10.3	Removal of Disabled or Immobilized Vehicles from Town Property
DEPARTMENTAL INSTRUCTION	
11.1	Town of Avon's Telephone, Computer Systems & Electronic Devices
11.34.1	Brush and Tree Removal
11.34.2	Fuel Storage Records
11.34.3	Uniform / DPW

Town of AVON, CONNECTICUT
CHARTER, ORDINANCES AND SELECTED REGULATIONS
Codified through Amendment of Nov. 10, 2008. (Supplement No. 3)

Chapter 1:	General Provisions
Chapter 2:	Administration
Chapter 5:	Animals
Chapter 9:	Buildings and Building Regulations
Chapter 13:	Elections
Chapter 15:	Emergency Services
Chapter 17:	Environment
Chapter 20:	Fire Prevention and Protection
Chapter 26:	Health and Sanitation
Chapter 36:	Miscellaneous Provisions
Chapter 41:	Parks and Recreation
Chapter 43:	Peddlers, Solicitors and Closeout Sales
Chapter 45:	Planning and Development
Chapter 51:	Solid Waste
	Article I. In General
	Article II. Sources And Disposal
	Article III. Collections
	Article IV. Transfer Station
	Article V. Hauler License
	Article VI. Emergencies
Chapter 53:	Streets and Sidewalks
	Sec. 53-81: Defined.
	Sec. 53-82: Approval prior to construction.
	Sec. 53-83.: Construction specifications; variances.
	Sec. 53-84: When construction authorized.
	Sec. 53-85: Approval of construction and acceptance.
	Sec. 53-86: Cost of construction.
	Sec. 53-87: Repairs.
	Sec. 53-88: Placement and removal of snow, obstructions or hazards; violations and penalties.
Chapter 55:	Taxation
Chapter 57:	Traffic And Vehicles
Chapter 62:	Utilities
Appendix A:	Aquifer Protection Regulations
Appendix B:	Inland Wetlands And Watercourses Regulations
Appendix C:	Subdivision Regulations
Appendix D:	Zoning
Appendix E:	Town Council Policies

Town of Avon

True or Operating Lease Policy

The Town may choose to lease assets rather than buy as leases offer more flexibility in terms of adjusting to changes. In an operating lease, the lessor transfers only the right to use the property to the lessee. At the end of the lease period, the lessee returns the property to the lessor. Since the lessee does not assume the risk of ownership, the lease expense is treated as an operating expense in the income statement and the lease does not affect the balance sheet.

Criteria when considering a true or operating lease:

- a.** Generally, a true or operating lease will be considered for assets that are “like items in the aggregate”, that will be needed for only short periods of time, or which are subject to rapid technological obsolescence.
- b.** Continued use beyond the lease term.
- c.** Financing terms
- d.** All operating lease considerations will adhere to the Town’s Purchasing Policy.
- e.** Operating lease payments shall be included in the operating budget of the Town or the Board of Education, based on the respective purpose of the lease.
- f.** The entrance into an operating lease, which has unequal payments or is in excess of 60 months, shall require approval by the Town Council and the Board of Finance.

Town of Avon Debt Policy

1. PURPOSE

The purpose of a debt policy is to establish parameters and guidance to make decisions on capital spending and issuance of debt as a means to fund them. In order to minimize debt service expenditures, the Town shall endeavor to take appropriate actions to maintain its “Aaa/AAA” credit rating from Moody's Investors Service, Inc. and Standard & Poor's, Inc., respectively.

The foundation of any well-managed debt program is a comprehensive debt policy. In addition to the general parameters, this policy provides guidance to decision makers regarding the timing and purposes for which debt may be issued, types and amounts of permissible debt financing, methods of sale that may be used, and structural features that may be incorporated.

Finally, this debt policy is the recognition of a binding commitment to full and timely repayment of all debt as an intrinsic requirement for entry into the capital markets. The policy helps to ensure that the Town maintains a sound debt position and that credit quality is protected.

In summary, the main advantages of a formal debt policy are as follows:

- a. Enhances the quality of decisions by imposing order and discipline, and promoting consistency and continuity in decision making.
- b. Rationalizes the decision-making process.
- c. Identifies objectives for staff to implement.
- d. Demonstrates a commitment to long-term financial planning objectives.
- e. Is regarded positively by the rating agencies in reviewing credit quality.

2. OBJECTIVES OF ISSUING DEBT

- a. The Town will finance capital projects through the issuance of debt for the shortest period practical but in any event not in excess of the anticipated useful life of the financed asset.
- b. The Town will evaluate debt-funding scenarios as part of its annual Five-Year Capital Improvement Program process in order to prioritize future financing needs.

The Town will attempt to minimize its reliance on long term debt to the extent consistent with its overall budgetary policies.

Town of Avon Debt Policy, continued

3. PURPOSES FOR WHICH DEBT MAY BE ISSUED

- a. The Town during emergency situations may issue debt to provide for emergency infrastructure repair or replacement.
- b. The Town generally will only consider financing major capital improvements with a total cost exceeding \$600,000 through the issuance of long-term debt. Such costs may include planning, design and land acquisition costs for such improvements. Total cost may be adjusted annually if less than one percent (1%) of the current tax levy.
- c. The Town generally will only consider issuing debt to finance only those projects that have been included in the Five-Year Capital Improvement Program. It is recognized that certain projects for which debt financing should be considered may arise in such a manner that they cannot be incorporated in the Five-Year Capital Improvement Program prior to financing, *e.g.*, the coming to the market of a specific property which the Town desires to acquire for open space purposes.
- d. The Town will not fund current operating expenditures through the issuance of debt (other than in connection with the issuance of tax anticipation notes).

4. LEGAL LIMITATIONS

The Connecticut General Statutes (C.G.S. §7-374) limit the aggregate amount of indebtedness the Town and its coterminous municipalities may have outstanding and the amount of indebtedness outstanding for particular purposes to various multiples of the total annual tax collections of the Town and its coterminous municipalities. The Town shall not incur indebtedness through the issuance of debt which shall cause aggregate indebtedness, or aggregate indebtedness by purpose, of the Town and its coterminous municipalities to exceed the following:

- | | |
|---|--|
| a. Aggregate Debt: | 7.00 times annual receipts from taxation |
| b. General Purposes: | 2.25 times annual receipts from taxation |
| c. School Purposes: | 4.50 times annual receipts from taxation |
| d. Water Pollution Control Purposes: | 3.75 times annual receipts from taxation |
| e. Urban Renewal Purposes: | 3.25 times annual receipts from taxation |
| f. Past Pension Benefit Obligation: | 3.00 times annual receipts from taxation |

In calculating the amount of indebtedness of the Town and its coterminous municipalities outstanding there shall be excluded:

- a. TANs
- b. Utilities Financings
- c. Assessment Financings

Town of Avon Debt Policy, continued

- d. Grant Anticipation Financings**
- e. Contract Revenue Anticipation Financings**
- f. Water Pollution Control Abatement Order Financings**
- g. Refunded Obligations**

5. TYPES OF DEBT PERMITTED TO BE ISSUED AND CRITERIA FOR ISSUANCE

Types of Debt Obligations:

- a. General Obligation (G.O.) Bond Anticipation Notes (BAN's)**
- b. Tax Anticipation Notes (TAN's) – Not Addressed by this Debt Policy**
- c. Revenue Anticipation Notes (RAN's) – Not Addressed by this Debt Policy**
- d. Lease Purchase Financing (also known as capital lease financing)**
- e. General Obligation (G.O.) Bonds**
- f. Revenue Bonds or Special Assessment Bonds**
- g. Conduit/Tax Increment Financing (TIF) – Not Addressed by this Debt Policy**

Criteria for Issuance:

a. Short Term Debt

- 1. General Obligation Bond Anticipation Notes:** The Town may choose to issue bond anticipation notes as a source of interim financing when deemed prudent. Bond anticipation notes may also be used as a form of short-term permanent financing (generally up to eight years under the current statutes) by renewing the notes over a number of years and reducing the principal amount of notes on renewal. Before issuing such notes, the Town will direct the Town Manager and Director of Finance to contact the Town's Financial Advisor for consultation. Bond anticipation notes may be sold at either a competitive or negotiated sale or by private placement when in the best interest of the Town.
- 2. Tax Anticipation Notes:** Not Addressed by this Debt Policy
- 3. Revenue Anticipation Notes:** Not Addressed by this Debt Policy.
- 4. Lease Purchase Financing:** Generally, lease purchase financing, in contrast to a true lease, provides for the acquisition of the leased item. Lease purchase financing is appropriate for procuring assets that are too expensive to fund with current receipts in any one year, but with useful lives too short (less than 10 years) to finance with long-term debt.

Town of Avon Debt Policy, continued

- i. Generally, lease purchase financing will be considered for assets that are “like items in the aggregate”, that will be needed for only short periods of time, or which are subject to rapid technological obsolescence.
- ii. Generally, lease purchase financing will not be considered for the purchase or construction of assets with a life expectancy of less than five years or a cost of less than \$20,000.
- iii. All lease purchase financings, whether for the Town or the Board of Education, shall require approval by the Town Council and the Board of Finance. As a matter of Federal tax law, tax-exempt lease purchase financings require the Town’s approval as the Board of Education cannot exercise the Town’s borrowing power.
- iv. Principal and interest payments on a lease purchase financing shall be included in the operating budget of the Town or of the Board of Education, based on the respective purpose of the lease purchase financing. The Board of Education shall enter into an agreement to that effect with respect to each lease purchase financing entered into by the Town for the benefit of the Board of Education.

* Note that the above policies do not address true or operating leases. Pursuant to such leases the leased item is returned to the lessor at the end of the lease term. Provision for lease payments with respect to such leases should be incorporated into the annual operating budgets for the Town or Board of Education, as applicable.

b. Long Term Debt

1. **General Obligation (G.O.) Bonds:** General obligation bonds (and general obligation BANs) are backed by the Town’s pledge of its full faith and credit to pay interest and principal of the obligations. Unless paid from other sources, the bonds are payable from general property tax revenues. The Town has the power under Connecticut General Statutes to levy ad valorem taxes on all taxable property in the Town without limit as to rate or amount, except as to certain classified property such as certified forest land taxable at a limited rate and dwelling houses of qualified elderly persons of low income taxable at limited amounts.

General obligation bonds should be used only to finance or refinance capital improvements and long-term assets, or other costs directly associated with financing of a project which has been determined to be beneficial to a significant proportion of the citizens of the Town and for which repayment sources, if any, have been identified. Bonding should be used only after considering alternative funding sources such as project revenues, Federal and State grants, and special assessments.

2. **Revenue or Special Assessment Bonds:** Not Addressed by this Debt Policy
3. **Conduit/Tax Increment Financing (TIF):** Not Addressed by this Debt Policy

Town of Avon Debt Policy, continued

- c. Credit Enhancement:** So long as the Town maintains its Aaa/AAA rating, credit enhancement should not be required in connection with the issuance of its general obligation debt.

6. RESTRICTION/LIMITATIONS ON DEBT ISSUANCE

- a. Limitations on Issuance of G.O. Debt:** This Policy prohibits issuing general obligation debt for current operations (other than in connection with the issuance of tax anticipation notes), enterprise activities, enterprise funds, vehicles/rolling stock, leased or lease purchased items.
- b. Derivatives Prohibited:** This Policy prohibits the issuance of any securities which would commonly be understood to be “derivative”.

7. STRUCTURAL FEATURES OF DEBT

- a. Overview:** The Town plans long-term and short-term debt issuances to finance the Town’s capital program based on cash flow needs, sources of revenue, capital construction periods, budgetary impact, available financing instruments, and market conditions. At the time a bond issue is structured, the mill rate impact will be evaluated so as to minimize overall tax increases with a target annual debt service increase of 3 - 5% and to maintain level principal payments where practical.
- b. Debt Repayment:** Generally, borrowings by the Town should be of a duration that does not exceed the economic life of the improvement financed and where feasible should be shorter than the projected economic life. Moreover, to the extent possible, the Town will design the repayment of the debt so as to recapture rapidly its credit capacity for future use. The Town will endeavor to structure new bond issues so as to provide that 50%, at a minimum, of the Town’s overall outstanding debt will be retired in the succeeding ten fiscal years.

8. CREDIT OBJECTIVES

Many analysts use debt ratios to analyze debt levels. However, the Town recognizes overemphasis on debt ratios should be avoided because debt ratios are but one of many factors which influence bond ratings. Commonly used debt ratios of comparable sized municipalities will provide one measure against which the Town can assess its debt burden. Another measure is to compare the Town against ratios developed by rating agencies such as, Moody’s Medians. The analysis is not intended to review the Town’s total financial position or to make projections of future expenditures other than debt service.

The following debt ratios will be considered when reviewing the Town’s capacity to issue debt:

a. Debt Burden Indicators

1. Debt as a percentage of Net Taxable Grand List.
2. Debt per capita.

Town of Avon Debt Policy, continued

b. Debt Service Indicators

1. Annual general obligation debt service as a percentage of General Fund operating budget expenditures.
2. Retirement of 50%, at a minimum, of the Town's overall outstanding debt in the succeeding ten fiscal years.

c. Overlapping Debt: There is no overlapping municipal debt for the Town.

d. Underlying Debt: The Town has several coterminous taxing districts that may issue debt and levy taxes for repayment of such debt. The debt of these tax districts is considered underlying debt of the Town. While the Town is not responsible for repayment of any tax district debt, such debt is included in the Town's total overall outstanding debt for analysis purposes and for purposes of the statutory debt limitation.

9. METHOD OF SALE

- a. Competitive Sale:** The Town, as a matter of policy, shall seek to issue its debt obligations in a competitive sale unless it is determined that such a sale method will not produce the best results for the Town. In such instances where the Town, in a competitive sale of its debt securities (whether general obligation or non-general obligation debt), deems the bids received as unsatisfactory or does not receive bids, it may enter into negotiation for sale of the securities.
- b. Negotiated Sale:** When determined appropriate, the Town may determine to sell its debt obligations through a negotiated sale. Such determination may be made on an issue by issue basis, for a series of issues, or for part or all of a specific financing program. Selection of the underwriting team shall be made pursuant to selection procedures set forth in this debt policy under "Selection of Consultants and Service Providers" below.
- c. Private Placement/Limited Public Offering:** When determined appropriate, the Town may elect to sell its debt obligations through a private placement or limited public offering. Selection of a placement agent shall be made pursuant to selection procedures developed by the Financing Team.
- d. Participation in State and Federal Loan Programs:** When determined appropriate, the Town may issue debt obligations in conjunction with loans made pursuant to State and Federal programs, e.g., the State of Connecticut programs for providing funding of eligible drinking water and water quality projects.

10. SELECTION OF CONSULTANTS AND SERVICE PROVIDERS

- a. Solicitation:** The Town shall establish a solicitation and selection process for securing professional services that are required to develop and implement the Town's debt program. Goals of the solicitation and selection process shall include encouraging participation from qualified service providers, both local and national, and securing the highest quality services at competitive prices.

Town of Avon Debt Policy, continued

- b. Financing Team:** The Town employs outside financial specialists to assist it in developing a bond issuance strategy, preparing bond documents and marketing bonds to investors. The key players in the Town's financing transactions include its internal financial professionals (the Town Manager, the Director of Finance and Finance Department staff, among others), its Bond Counsel, and its Financial Advisor. Other outside firms, such as those providing paying agent/registrar, trustee, credit enhancement, auditing, or printing services, are retained as required.
- c. Bond Counsel Involvement:** The Bond Counsel will issue an opinion as to the legality and, where applicable, the tax-exempt status of all obligations. The Town also may seek the advice of Bond Counsel on other types of financing and on any other questions involving federal tax law applicable to tax-exempt bonds. Bond Counsel also is responsible for the preparation of the resolution authorizing issuance of obligations, various closing documents to complete their sale and issuance, and performance of other services as defined by contract approved by the Town.
- d. Financial Advisor Involvement:** The Town will seek the advice of the Financial Advisor when appropriate and when required by law. The Financial Advisor will advise on the structuring of obligations to be issued, inform the Town of various options, advise the Town as to how choices will impact the marketability of the Town's obligations, and provide other services as defined by contract approved by the Town. To ensure independence, the Financial Advisor neither will bid on nor underwrite any Town debt issues for which it is serving as Financial Advisor. The Financial Advisor will inform the Town Manager and the Director of Finance of significant issues that could affect the marketability of its debt or impact its credit rating.

11. REFUNDING OF LONG-TERM DEBT

A refunding of long-term debt involves the refinancing of an outstanding bond issue by issuing new bonds. Most refundings are performed to take advantage of current interest rates that are lower than those rates on outstanding bonds. Such refundings are for interest rate savings. The Town may consider a refunding for three primary reasons:

- a.** To reduce interest costs.
- b.** To restructure debt service, but generally only if the present value of debt service savings exceeds two (2%) percent of the debt service amount of the refunded bonds.
- c.** To eliminate old bond covenants that may have become restrictive.

12. DISCLOSURE/ARBITRAGE COMPLIANCE

- a. Rating Agencies:** Full disclosure of operations and open lines of communication shall be maintained with the rating agencies. Town staff, with assistance of financial advisors, shall prepare the necessary materials and presentation to the rating agencies. A credit rating will be sought from one or more nationally recognized credit reporting agencies as recommended by the Town's financial professionals in conjunction with the Town's financial advisor.

Town of Avon Debt Policy, continued

b. Arbitrage, Private Activity Use/Payment and Covenant/Representation Compliance:

The Town shall establish a system of record keeping and reporting to ensure compliance with arbitrage limitation, arbitrage rebate, and private activity use and payment limitations applicable to its tax-exempt obligations under the Federal tax code. This effort shall include tracking expenditure of and investment earning on proceeds of bond and note issues and lease purchase transactions, calculating rebate payments in compliance with tax law, and remitting any rebateable earnings to the federal government in a timely manner in order to preserve the tax-exempt status of the Town's outstanding debt issues. Additionally, private activity use and payment, general financial reporting and certification requirements embodied in bond covenants, if any, or tax compliance or regulatory agreement covenants or representations in connection with the Town's tax-exempt obligations shall be monitored to ensure compliance with all such covenants and representations.

- c. Continuing Disclosure:** The Town is committed to continuing disclosure of financial and pertinent credit information relevant to the Town's outstanding securities and will abide by the provisions of Securities and Exchange Commission (SEC) Rule 15c2-12 concerning primary and secondary market disclosure, including requirements regarding annual financial information and material event filings incorporated in the Town's continuing disclosure agreements entered into in connection with the issuance of its debt obligations.

13. INTEGRATION WITH CAPITAL PLANNING

The Town prepares a multi-year Capital Improvement Program for consideration and adoption as part of the Town's budget process. Annually, the capital budget identifies revenue sources and expenditures for the current year and the next succeeding four fiscal years as required by the Connecticut General Statutes § 8-24. As part of the capital project planning process, the financial impact of each proposed project will be evaluated and updated annually. To fund the Capital Improvement Program, the Town will use general revenues (pay-as-you-go), debt financing, State and Federal Aid, special assessments or a combination thereof.

14. DEBT AUTHORIZATION (CHARTER REQUIREMENTS)

The Town shall have the power to incur indebtedness subject to the provisions of the Avon Town Charter, as revised from time-to-time.

15. INVESTMENT OF PROCEEDS

The investment of proceeds of debt obligations (including investment earnings) must be in conformance with the Town of Avon Investment Policy approved by the Town Council on November 2, 2002.

Approved by the Town Council on May 1, 2008.

Approved by the Board of Finance on April 28, 2008.

TOWN OF AVON

TOWN COUNCIL POLICY

Subject: Department of Finance
Investment Policy

No. 18
Dated: October 30, 2000
Approved: November 2, 2000

1.0 Statement of Purpose

The purpose of the investment policy is to establish the goals of the Town with respect to investing its funds, to establish parameters within which to achieve those goals, and provide guidance to town officials in making decisions to meet those goals.

2.0 Scope

This investment policy applies to the investment of the following funds of the Town of Avon. These funds are accounted for in the Town of Avon's Comprehensive Annual Financial Report and include:

2.1 Funds

- 2.1.1 General Fund;
- 2.1.2 Special Revenue Funds
- 2.1.3 Capital Projects Funds (Bonded Funds)
- 2.1.4 Enterprise Funds
- 2.1.5 Trust and Agency Funds
- 2.1.6 Any new fund created by the Town Council, unless specifically exempted. Funds subject to the Policy are hereafter referred to as the "Funds."

The following funds are excluded from this policy:

- 2.1.7 Retirement/Pension Funds
This policy does not cover the financial assets of the Town of Avon Employees' Pension Retirement Plan. There is a separate investment policy which governs these assets.

3.0 Prudence

The Town's investment officials shall invest the funds in accordance with, and be subject to the "prudent person" standard. The prudent person standard shall include the obligation of such officials to report deviations from expectations, including significant market price changes, immediately to the Manager, and in writing to the Council in a timely fashion so that appropriate action can be taken to control adverse developments.

4.0 Investment Objectives

The primary objectives, in priority order, of the Town of Avon's investment shall be:

- 4.1 *Safety:* Safety of principal is the foremost objective of the investment program. Investments of the Town of Avon shall be undertaken in a manner that seeks to insure the preservation of capital in the portfolio. Safety will be achieved by investing in only permitted investments, for such term, through a diversified portfolio, as set forth in this policy.

For each fund subject to this policy, the Finance Office shall prepare a projected cash flow for the period ending no earlier than the close of the then current fiscal year, which will be updated periodically.

Town of Avon, Department of Finance Investment Policy (Town Council Policy No. 18), continued

- 4.2 *Liquidity:* The Town of Avon's investment portfolio will remain sufficiently liquid to enable the Town to meet all reasonably anticipated operating expense requirements.

The investment officer shall ensure that investments mature at such times and amounts, or are otherwise available in the form of same day available, liquid funds so as to meet the projected cash flow requirements, and a reasonable reserve of not less than one-twelfth of budgeted expenditures for the then current fiscal year.

No single investment shall have a maturity in excess of five years unless approved by the Council.

- 4.3 *Yield:* The Town of Avon's investment portfolio shall be designed with the objective of attaining a market rate of return, taking into account the Town's investment risk constraints, liquidity needs and permitted investments.

5.0 Delegation of Authority

The Director of Finance subject to the approval of the Treasurer and Town Manager, shall establish written procedures for the operation of the investment program consistent with this investment policy. Procedures should include references to custody, repurchase, wire transfer, and bank security agreements, banking service contracts, include the implementation of such transactions and reporting requirements. Such procedures shall include specific delegation of authority to persons for specific aspects of investment transactions. No person may engage in an investment transaction or aspect thereof except as provided under the terms of this policy and the procedures established by such approved policy. The Director of Finance shall be responsible for all transactions undertaken and establish a system of controls to regulate the activities of subordinate officials.

6.0 Ethics and Conflicts of Interest

Officers and employees involved in the investment process shall not engage in personal business activity that could conflict with proper execution of the investment program, or which could impair their ability to make impartial investment decisions. Employees and investment officials shall disclose in writing to the Treasurer (the Treasurer shall disclose to the Council) any material financial interests of themselves or their immediate families in financial institutions that conduct investment business with the Town of Avon. The payment of any commission, fee or thing of value to an officer or employee or a member of their family for making the investment or based upon its performance shall constitute a conflict of interest. Employees and officers shall not undertake personal investment transactions with the same individual with whom business is conducted on behalf of the Town of Avon.

7.0 Authorized Financial Dealers and Institutions

Investment officials may select from time to time financial institutions and broker/dealers to provide investment services, including advice or investments. A current list identifying the approved financial institutions and broker/dealers and investment advisors approved for use by the Town shall be maintained and provided to the Town Council whenever revised. Security broker/dealers must be authorized to provide investment services in the State of Connecticut. The primary selection criteria worthiness. These may include "primary" dealers, regional dealers that qualify under Securities and Exchange Commission Rule 15c3-1 (uniform net capital rule). No public deposit shall be made except in a qualified public depository as defined by Section 36a-330 of the General Statutes, or in an amount not exceeding FDIC insurance as provided in Section 7-402 of the General Statutes.

All financial institutions and broker/dealers who desire to become qualified bidders for investment transactions must supply the following:

- (1) Current audited financial statements
- (2) Proof of National Association of Securities Dealers certification
- (3) Trading resolution
- (4) Proof of Connecticut State registration, and
- (5) Certification of having read and understood the municipality's investment policy.

Town of Avon, Department of Finance Investment Policy (Town Council Policy No. 18), continued

Not less than frequently then annually, the financial condition and registrations of qualified bidders will be reviewed by the Director of Finance.

A current audited financial statement is required to be on file for each financial institution and broker/dealer in which the Town invests.

All repurchase agreement transactions will be conducted through primary dealers of the Federal Reserve Bank of New York and qualified banks (as defined in Section 8.0) which have executed master repurchase agreements with the municipality.

8.0 Authorized and Suitable Investments

All investments must be authorized by CGS 7-400 through 7-402 and 3-27a through 3-27d, and, in addition:

- 8.1.1 If total deposits, including certificates of deposits, exceed \$100,000.00, the financial institution's long-term debt must be rated at least A-1 by Stand [Standard] and Poors and rated C by Thomson Bank Watch and its short-term debt must be rated at least A-1 by Standard and Poors and TBW-1 By Thomson Bank Watch, or its total risk-based capital ratio must exceed ten percent, and the Town must have an executed security agreement with the financial institution that is in compliance with the Federal Institution Reform, Recovery and Enforcement Act of 1989 (FIRREA).
- 8.1.2 Fully-collateralized repurchase agreements with primary dealers of the Federal Reserve or qualified public depositories, with possession of collateral by a third-party custodian bank, (unless prevailing practices amongst institutions do not provide for third-party collateral possession) for overnight, weekend or holiday investment is permitted. Collateral must consist of obligations of the U.S. government or its agencies. Reverse repurchase agreements are not permitted under this policy.
- 8.1.3 Investments in shares of investment companies or trust with fluctuating net asset values, while permitted by CGS7-400, are not permitted under this short-term investment policy.
- 8.2 No investments may be made in "derivative" securities, such as futures, swaps, options, inverse floaters, CMT floaters, leveraged floaters, dual index floaters, COFI floaters, and range floaters. These types of securities can experience high price volatility with changing market conditions, and their market values may not return to par even at the time of an interest rate adjustment.

Provided they are otherwise permitted by law, investments may be made in adjustable or variable rate securities whose interest rates move in the same direction as standard short-term money market interest rate benchmarks, such as LIBOR, 90-day Treasury bills, one-month commercial paper and the prime rate, and conform with other investment guidelines of the municipality, pool or fund. The values of these securities tend to return to par upon the scheduled adjustment of interest rates. Some parties in the financial services industry considers these types of adjustable rate securities to be derivatives, other do not.

- 8.3 All investments must be make [made] in U.S. dollar-denominated securities.
- 8.4 The provision of this section shall not prohibit the Town from making an investment (for example in money market, pooled or mutual funds) which meets the criteria as an investment permitted to be acquired by Connecticut municipalities pursuant to the above referenced statutes.

9.0 Safekeeping and Custody

All security transactions, including collateral for repurchase agreements, entered into by the Town shall be conducted on a delivery-versus-payment (DVP) basis. Securities will be held by a third party custodian as evidenced by safekeeping receipts.

Town of Avon, Department of Finance Investment Policy (Town Council Policy No. 18), continued

10.0 Diversification

The Town will diversify its investments by security type and institution. With the exception of U.S. Treasury securities and authorized pools, the Town officials shall have as a goal that no more than 50 percent of the Town's total investment portfolio will be invested with a single financial institution, except for sweep account purposes. The goal may be exceeded where, in the judgment of the officials, the excess percentage will be divested upon the maturity of outstanding investments within one-month period, and reinvested so as to meet the 50% goal.

11.0 Internal Controls

The Director of Finance shall establish and maintain a system of internal controls, which shall be designed to prevent and control losses of public funds arising from fraud, employee error, misrepresentation by third parties, or imprudent actions by employees and officers.

12.0 Reports

Regular periodic reports summarizing the investment portfolio by security types and maturities shall be provided to the Town Manager. A detailed portfolio listing, including cost and market valuations and maturities, as well as any narrative necessary for clarification.

13.0 Investment Policy Adoption

The Town's investment policy shall be adopted by resolution of the Town Council. The policy shall be reviewed on an annual basis and any modifications made thereto must be approved by the Town Council.

Any investment held at the time of this policy's adoption that does not conform with the policy shall be exempted from the requirements of the policy. At maturity or liquidation, all monies shall be reinvested only as provided by this policy.

Town of Avon
General Fund Unassigned Fund Balance Policy

The Town has acted to establish a policy regarding Fund Balance. On December 6, 2001, the Town Council adopted the following policy:

“That the Town of Avon establishes, as a goal, a 10% Unreserved Undesignated General Fund Balance.”

Town of Avon
Policy Regarding the Use of Surplus

1. Any use of surplus should only be considered by the Board of Finance after a showing of substantial support for such use by the requesting authority (including the Town Council and Board of Education). The Board of Finance shall exercise its discretion in finding whether or not there has been the requisite “substantial support” for such request. Demonstration of “substantial support” alone shall not be a sufficient basis to approve such request. The following additional criterion must also be met.
2. Approval of any request for the use of surplus shall only be given upon a finding by the Board of Finance that such use will meet an extraordinary need or unusual opportunity, which need or opportunity must be timely met. Such need or opportunity must have characteristics demonstrating real and immediate circumstances which compels the extraordinary measure of using surplus. The proponent of such use must demonstrate, and the Board of Finance must find, that such use will result in a tangible and significant benefit to the Town, which benefit outweighs the extraordinary process of utilizing surplus funds.

