

**TOWN OF MONTAGUE POLICY GOVERNING THE
EXPENDITURE OF
DISCRETIONARY CAPITAL SPENDING IN THE
DEPARTMENT OF PUBLIC WORKS**

I. Purpose and Scope

In an effort to streamline the capital planning process, and to provide flexibility to Superintendent of Public Works (Superintendent) in implementing the Departments capital program, the Capital Improvements Committee has voted to recommend that the Montague Financial Management and Operations Policies allow for the Department of Public Works (DPW) to be granted, on an annual basis, an unspecified, appropriation for the purpose of purchasing DPW vehicles or equipment or making major repairs to existing vehicles or equipment as a means of delaying the need for such purchases. This appropriation would be in addition to any dollar amounts recommended to town meeting for the purchase of specific vehicles or equipment. Although the Superintendent will be granted discretion, there are specific procedures that must be followed by the Superintendent when carrying out this authorization. The purpose of this policy is to ensure that the Selectboard provides effective oversight for these expenditures.

II. Applicability

This policy applies only to the DPW at this time, though the Capital Improvements Committee may choose to extend its applicability to the spending of other departments at a future date.

III. Policy

It shall be a policy of the Town of Montague that the Capital Improvements Committee be authorized to allocate in its annual Capital Budget recommendation a sum or sums of "discretionary" money to the DPW for the purpose of purchasing DPW vehicles or equipment, or to make major repairs to existing vehicles or equipment, as a means of delaying the need for such purchases. Said authority to be discretionary in nature, meaning that the Superintendent shall have the ability to select the specific vehicles or equipment that will be purchased or repaired using this unspecified lump sum appropriation. All purchases shall be made subject to the procedures established for this purpose in Section IV.

IV. Procedures

- A. Prior to expending any discretionary funds over twenty-five thousand dollars (\$25,000) for any single purchase, the Superintendent shall obtain approval for the proposed expenditure from the Selectboard or its designee.
- B. The DPW shall ensure that all discretionary spending is done in accordance with current Massachusetts Procurement Laws and maintain documentation of such
- C. No later than the date provided for the submission of Capital Requests for the subsequent fiscal year, the Superintendent shall provide to the Capital Improvements Committee a detailed report describing how any discretionary appropriations were used in the previous and

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current fiscal years, as well as any expenditures that may be anticipated in the coming year.

- D. The Discretionary fund should be replenished annually at Annual Town Meeting to a amount not to exceed a total balance of one hundred thousand dollars (\$100,000), based on the amount in the fund as of March 1.