

# City of Revere, Massachusetts

## **FINANCIAL POLICIES**



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# Objectives & Summary

To ensure financial health and appropriate fiscal stewardship, the City of Revere adheres to its established financial policies. The City and its officials, employees, and agents work to achieve the policy goals set forth by the Mayor and City Council in a manner consistent with the policies listed included herewith.

## Guiding Principles

- To maintain an effective, efficient, and modern financial system.
- To protect the public’s confidence in the City’s fiscal management.
- To deliver high quality services within the City at the lowest possible cost to taxpayers.

## Objectives

The objectives of the Financial Management Policies are as follows:

1. To guide the City Council, Mayor, Finance Director, and management staff in evaluating and implementing decisions that have significant impact on the City.
2. To set forth planning and operating principles, which require that the cost of government be clearly identified and that financial risk be minimized.
3. To employ balanced and fair fee and user revenue policies that provide funding for required and needed programs.
4. To regularly evaluate the City’s financial capacity to meet present and future needs.
5. To promote credible and sound financial management by providing accurate and timely information on the City’s financial condition to elected officials, staff, the public, and external interests.
6. To ensure that current and future capital needs are addressed in a comprehensive and financially sound manner.
7. To promote improvement in the City’s credit rating and provide financial resources sufficient to meet the City’s obligations on all municipal debt and other long-term obligations.
8. To establish an effective system of internal controls that ensures the legal use of financial resources.
9. To promote cooperation and coordination with other governments and the private sector in the financing and delivery of services.



# General Budget Policies



# Annual Operating Budget Process

## Purpose

The purpose of this policy is to articulate the principles to be followed in the formulation of the recommended annual budget, formalize the steps that culminate in the adoption of the annual budget, and identify the parties responsible for preparing and presenting the budget.

## Background

All Massachusetts municipalities are required by state law to prepare balanced annual budgets. The Government Finance Officers Association (GFOA) notes a true structurally balanced budget is one that supports financial sustainability for multiple years into the future. This requires matching recurring revenue with recurring appropriations and nonrecurring revenue with nonrecurring appropriations.

## Applicability

This policy applies to the Mayor, City Council, Chief Financial Officer, Budget Director, Assistant Budget Director, and department heads.

## Principles

The Annual Financial Plan will adhere to the Principles of Budgeting:

- **Comprehensiveness** – Requires that the budget embrace all of the activities of the government;
- **Exclusiveness** – The budget should deal with only financial matters, and not with substantive legislation;
- **Unity** – Requires the budget to be presented in gross terms, including all revenues and expenditures;
- **Specification** – Requires that expenditures be made only for the purpose for which it was appropriated;
- **Annuality** – Requires that budgets be presented each year and that they cover only one fiscal year;
- **Accuracy** – Means that the revenues and expenditures should be correctly, although conservatively, estimated;
- **Clarity** – Means that the budget proposal must be understandable to all who may read it;
- **Publicity** – Means that the budget document must be offered for public consumption, to maximize the understanding of the proposal and participation in the public authorization process.



## Policy

1. It is the City’s policy to establish a balanced budget for its general appropriation each year. Such balanced budget shall be adopted on or before the last City Council meeting of each fiscal year.
2. Prior to the development of next year's budget, the City should complete a long-range Capital plan and a long-range revenue and expenditure analysis.
3. The City shall use a “bottom-up” approach to budgeting whereby individual City departments prepare their budgets, which are then forwarded to the Chief Financial Officer (CFO) and Assistant Budget Director for review and recommendation to the Mayor and subsequent appropriation by the City Council.
4. Approved City budgets shall be adopted effective July 1<sup>st</sup> each year.

## References

M.G.L. c. 41, §57, 58, 60

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# Long Range Financial Forecasting

## Purpose

Annual budget proposals can have significant implications for subsequent fiscal years. Prudent financial management calls for an evaluation of the future impact of those proposals by decision makers before they are recommended to City Council. A tool for such an evaluation is a multi-year revenue and expenditure forecast.

It is important to emphasize that a forecast is not a proposed or recommended budget. It is a tool for planning and tracking changes to the proposed budget, leading to a balanced budget. A forecast is intended to facilitate discussion among community “stakeholders” with the hope that it will result in the identification of issues that call for further discussion and analysis as each annual budget cycle unfolds.

The purpose of this policy is to describe the methodology for forecasting revenues and expenditures, the timing for completion of an annual forecast, and the identification of the parties involved in the process.

## Background

A critical step in maintaining a sound financial plan is the preparation of a multi-year revenue/expenditure forecast(s). Long-term financial planning, including revenue and expenditure assumptions, is one of the local government financial practices that credit rating agencies evaluate when assessing municipalities for credit quality. The Massachusetts Division of Local Services (DLS) states that a financial forecast, or continuous multi-year revenue and expenditure forecast, allows a municipality to evaluate the impact of various government decisions over time.

A forecast will provide decisionmakers with an indication of the long-term fiscal impact of current policies and budget decisions, and will allow the Mayor, City Council, Chief Financial Officer (CFO)/Budget Director, Assistant Budget Director, and department heads to test various “what-if” scenarios and examine the fiscal impact on future budgets.

## Applicability

This policy applies to the Mayor, City Council, CFO/Budget Director, Assistant Budget Director, and department heads.

## Policy

1. Each year, the CFO/Budget Director and Assistant Budget Director, shall prepare and maintain a continuous five (5) - year Financial Forecast for General Fund and Enterprise Fund operations based on current fiscal year service levels and current fiscal year funding sources, including the five (5) - year Capital Improvement Program (CIP). This forecast should be presented to the Mayor, City Council, and School Committee.
2. The forecast shall be used as a budget tool to enable City officials to review operating needs, identify fiscal challenges and opportunities, and develop long-term budgeting policies as part of an overall strategic plan.



The forecast shall be designed to provide an outlook on the implications of changes in revenues and expenditures and allow for analyzing multiple scenarios. The forecast will:

- a. Provide insight into whether the current mix and level of resources in the General Fund are likely to continue to be sufficient to cover current service levels and capital projects;
  - b. Identify the resources needed to maintain required Enterprise Fund operations;
  - c. Estimate the impact on rate payers.
3. The following principles shall guide City officials in the preparation of an annual, multi-year forecast of revenues and expenditures:
- a. The forecast shall be for five (5) fiscal years, not including the base year, which shall be the current adopted budget;
  - b. A separate forecast shall be developed for General Fund operations and each Enterprise Fund operation.

The forecasting methodology shall be a maintenance budget approach; that is, the projected costs needed to maintain the “current level of services” reflected in the base-year budget and the revenues available to support projected maintenance budgets. An addition or subtraction from the current budget must be based upon the certainty that these changes will take place. The difference between projected revenues and expenditures, if positive, shall be characterized as the “available balance;” that is, the excess of projected revenues over projected expenditures, which can be used to fund service or program enhancements, future collective bargaining agreements, add to reserve balances, or finance capital on a pay-as-you-go basis.

**References**

Revenue and Expenditure Forecasting, MA DOR Division of Local Services Best Practice.  
 Financial Forecasting in the Budget Preparation Process, Government Finance Officers Association Best Practice, February 2014.  
 Massachusetts Treasurers Manual  
 Financial Management Assessment, Standard and Poor’s, June 2006.

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# Capital Program Policies



# Capital Program

## Purpose

The purpose of this policy is to define an annual Capital Improvement Planning (CIP) process, to identify the need for the acquisition of new City-owned capital assets, and to address the replacement of existing City-owned assets, as well as the proposed financing of each.

The goal of the plan is to thoughtfully allocate the limited resources that are available, while considering the many needs identified by City departments and the School District. By looking out across multiple years, City officials can carefully schedule projects in a way to minimize the fiscal impact on local taxpayers, and department directors can plan for upgrades of equipment and infrastructure to reduce emergency repairs and purchases which can drive up costs. Departments can also contemplate and plan for multi-year projects such as the design and construction of a major roadway project or a new building, while being kept on task by being included in the CIP.

## Background

Planning, budgeting, and financing for the replacement, repair, and acquisition of capital assets is a critical component of any municipality's budget and operation. Prudent planning and funding of capital assets ensures that a municipality can provide quality public services in a financially sound manner. It is recognized that a balance must be maintained between operating and capital budgets so as to meet the needs of both to the maximum extent possible. The development of a CIP is the mechanism that a municipality uses to identify projects, prioritize funding, and create a long-term financial plan that can be achieved within the limitations of the budget environment. Long-term capital planning is one of the local government financial practices that credit rating agencies evaluate when assessing municipalities for credit quality.

### ***What is a capital budget? What is a capital project?***

A capital budget is distinct from an operating budget in that the items included in a capital budget are typically large or infrequent expenses, such as construction of a new building or acquisition of a new dump truck, whereas an operating budget includes expenses that occur each year or are modest, such as salaries and vehicle maintenance. A capital budget identifies the array of resources to be used to fund a series of capital projects.

Massachusetts Association of Town Finance Committees defines capital projects as “major, non-recurring expenditures, for one of the following purposes:

- Acquisition of land for a public purpose;
- Construction of a new facility or external expansion or major rehabilitation of an existing one. Examples of such town facilities include public buildings, water and sewer lines, roads and playing fields;
- Purchase of vehicles or major equipment items;



- Any planning, feasibility, engineering, or design study related to a capital project or to a capital improvement program consisting of individual equipment for public improvements when they are first constructed such as furniture, office equipment, or playground equipment;
- Major equipment, which is expensive and has a relatively long life, such as a fire apparatus, garbage trucks, and construction equipment.”

The group goes on to indicate that, “typically capital projects do not include:

- Equipment such as furniture or police or public works vehicles, which are replaced annually in approximately the same quantity;
- Equipment with a useful life of five years or less.”

### ***What is a capital plan?***

According to the Massachusetts Department of Revenue (DOR), a capital plan is a blueprint for planning a community’s capital expenditure and “one of most important responsibilities of local government officials.” Putting together multiple years of capital spending into a plan, instead of looking at each year in isolation, has multiple benefits including:

- Impacts on the operating budget can be minimized through thoughtful debt management;
- High-cost repairs and emergency acquisitions can be reduced by implementing regular vehicle and equipment replacement schedules, and by undertaking major facilities improvements, such as replacing roofs, before a problem becomes chronic and damage occurs;
- Large scale, ambitious public improvements can be phased over multiple years;
- Critical parcels of land can be purchased before costs increase;
- Costly mistakes created by lack of coordination - such as paving a street one year and then cutting into it the next year to install a sewer line – can be avoided; and,
- Methodical progress can be made toward meeting community goals.

## **Applicability**

This policy applies to the Mayor, City Council, Chief Financial Officer (CFO), Auditor, Budget Director, Assistant Auditor, Assistant Budget Director, and all department heads.

## **Policy**

1. The City shall define capital assets as the following: “Capital assets, which include land, land improvements, buildings, machinery and equipment, and infrastructure (e.g., roads, water mains, sewer mains, and similar items), are defined as assets with an initial cost of more than \$25,000 and an estimated useful life in excess of five (5) years.”
2. Project costs of less than \$25,000 would be assigned to the operating budget of the respective department. Costs greater than \$25,000 should be considered a capital project assigned to fund sources assigned to the Capital plan.



3. Proposed project or asset to be acquired has a useful life of two (2) years or more including:
  - a. New public buildings, or additions to existing buildings, including land acquisition costs and equipment needed to furnish the new building or addition for the first time
  - b. Alterations, renovations, or improvements to existing buildings;
  - c. Land acquisition and/or improvements, unrelated to public buildings, but necessary for conservation, recreation, or off-street parking;
  - d. Major equipment acquisition, replacement, or refurbishment, including but not limited to vehicles, furnishings, and information technology systems' hardware and software or other items that combined in purpose together make it a capital project;
  - e. New construction or major improvements to the City's physical infrastructure, including streets, sidewalks, stormwater drains, landfill, and the sanitary sewer system. Infrastructure improvements must extend the useful life of the infrastructure by at least ten (10) years to be appropriately classified as a capital project;
  - f. Feasibility studies, engineering design services, or consultant services, which are ancillary to a future capital project.
4. The City shall develop a multi-year plan for capital improvements and update it annually.
5. The City shall make all capital purchases and improvements in accordance with the adopted capital improvement plan.
6. The City shall coordinate development of the CIP with the development of the operating budget. Future operating costs associated with capital assets shall be projected and included in operating budget forecasts.
7. The City shall use intergovernmental assistance to finance only those capital improvements that are consistent with the CIP priorities and for which operating, and maintenance costs have been included in operating budget forecasts.
8. The City shall maintain all its assets at a level adequate to protect the City's capital investment and to minimize future maintenance and replacement costs.
9. The City shall identify the estimated costs and potential funding sources for each capital improvement proposed before it is submitted to the City Council for approval.
10. The City shall determine the least costly financing for all new projects, including any grant or other financing sources.
11. The City shall track, report, and depreciate capital assets in accordance with GASB 34.
12. Funding sources supporting capital expenditure are general Fund pay/go, General Fund debt, Enterprise fund pay/go, enterprise fund debt, State of Federal Funding, Grants and Free Cash.



**References**

M.G.L. c. 41, § 106B

M.G.L. c. 44, §§ 7-8

M.G.L. c. 44, § 20

M.G.L. c. 44, § 33B

Massachusetts Department of Revenue, Division of Local Services: [Division of Local Services Best Practice: Presenting and Funding Major Capital Projects](#)

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# Enterprise Fund Policies



# Enterprise Funds

## Purpose

Massachusetts General Law (M.G.L.) provides for municipalities to establish – for accounting purposes – a separate fund (or funds) classified as Enterprise Funds to record the revenues and expenditures of municipal operations that deliver services on a business-like basis; that is, the users of the service are charged fees intended to cover most if not all of the costs of delivering the service.

The purpose of this policy is to establish principles that govern the accounting and financing of operations that deliver these kinds of services. At the time of adoption of this policy, the City of Revere has two enterprise funds; water/sewer and solid waste.

## Background

Enterprise funds provide a separate accounting and financial reporting mechanism for municipal services for which a fee is charged in exchange for goods or services. Under enterprise accounting, the revenues and expenditures of the service are segregated into a separate fund with its own financial statements, rather than commingled with the revenues and expenses of all other governmental activities. Enterprise accounting allows a community to demonstrate to the public the total cost of providing a service.

## Applicability

This policy is applicable to the Mayor, City Council, Chief Financial Officer (CFO), Assistant Auditor, Assistant Budget Director, and Superintendent of DPW, with responsibility for estimating annual enterprise fund revenue, recommending annual user charges, and annual operating and capital budgets.

## Policy

The City will adhere to the following policies regarding its enterprise funds:

1. The City has established enterprise funds for the following purposes:
  - a. To clearly identify the total cost of providing water, sewer and trash/recycling services, including direct, indirect and capital;
  - b. To make important financial and management information readily accessible for rate setting purposes and financial reporting;
  - c. To provide a mechanism for the segregation of any surplus at fiscal year-end that is generated by the individual enterprise operations and to reserve that surplus for future use in support of the operation, subject to appropriation.
2. User charges for the water/sewer enterprise fund are set at a level to cover all costs, direct, indirect and capital-related managing a self-supporting water and sewer operation, while solid waste revenues are segregated and applied to the solid waste enterprise as a means of offsetting the general fund subsidy. At the discretion of the City, an Enterprise Fund may be self-funded or subsidized in part by the General Fund.



3. Capital requests of the individual enterprise funds for the ensuing fiscal year and future years shall be included in the Mayor’s recommended annual Capital Improvement Plan (CIP) as described in the City’s Capital Program policy.
4. Retained earnings may be appropriated for debt service and any capital expenditure related to the enterprise fund and deemed appropriate.
5. Enterprise Fund user charges shall be reviewed annually and presented by the Mayor or his / her designee to the City Council for review and approval. If rate changes are recommended, the City Council, pursuant to its fee-setting duties, shall act on such recommendations. If new rates are approved, they shall take effect upon a date in the motion approving such rates.
6. Per the City’s revised ordinances, a minimum of 15% of retained earnings shall be transferred to the water/sewer stabilization fund to cover emergency circumstances.
7. Mid-year adjustments of rates will be sought only under extraordinary circumstances in response to emergencies that cannot be accommodated through an appropriation of available retained earnings.
8. The City Council, Mayor, or CFO may elect to recommend in writing a waiver to the requirement in Section 4 of this policy that requires rates to be set to recover all costs, direct, indirect, and capital in order to provide a subsidy or loan from the general fund to an enterprise fund in order to meet other policy goals of the City.

**References**

M.G.L. c. 44 §53F½, Enterprise Funds, MA DOR Division of Local Services Best Practice

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# Revolving Funds

## Purpose

A revolving fund is a place to set aside revenue received, through fees and charges, for providing a specific service or program. The revenue pool is, in turn, a source of funds available to use by a department without further appropriation to support the service or program. These funds are accounted for separately from the general fund. Many of these funds are established through Massachusetts General Laws (M.G.L.) and are accounted for in the manner prescribed by the law. Some examples of revolving funds established by law are School Rental Receipts (M.G.L. Ch. 40 Sec. 3), Student Activity and Athletic Fund (M.G.L. Ch. 71 Sec 47), and Wetland Protection Fund (M.G.L. Ch. 131 Sec. 40).

## Background

When a specific law does not exist for the establishment of a specific source and use of funds, cities and towns have the option to create general departmental revolving funds under M.G.L. Ch. 44 Sec. 53E½ (see below). These funds are created with City Council approval. Departmental revolving funds identify which department receipts are to be credited to the revolving fund and specify the program or purposes for which money may be spent. It designates the department, board, or official with authority to expend the funds and places a limit on the total amount of the annual expenditure.

## Applicability

This policy applies to the Mayor, City Council, Chief Financial Officer (CFO), Internal Auditor, and all department heads.

## Policy

1. A revolving fund shall be established pursuant to this section by ordinance. The ordinance shall specify for each fund:
  - a. The programs or activities for which the revolving fund may or may not be expended;
  - b. The departmental receipts in connection with those programs or activities that shall be credited to the revolving fund;
  - c. The board, department or officer authorized to expend from such fund; and
  - d. Any reporting or other requirements the city or town may impose. The establishment of any fund shall be made not later than the beginning of the fiscal year in which the fund shall begin.
2. Notwithstanding this section, whenever, during the course of any fiscal year, any new revenue source becomes available for the establishment of a revolving fund under this section, such a fund may be established in accordance with this section upon certification by the City Auditor, or other officer having similar duties that the revenue source was not used in computing the most recent tax levy.
3. The city shall, on or before July 1<sup>st</sup> of each year, vote on the limit on the total amount that may be expended from each departmental revolving fund established under this section. In any fiscal year, the



limit on the amount that may be spent from a revolving fund may be increased with the approval of the City Council and Mayor.

4. Upon termination of a revolving fund, the balance in the fund at the end of that fiscal year shall revert to surplus revenue at the close of the fiscal year.

Please reference Appendix A for applicable City ordinances.

**References**

Revere Code of Ordinances, Chapter 3.

Division of Local Services, "Revolving Funds Non-School Department Programs", November 2016.

Division of Local Services, "Revolving Funds School Department Programs", December 2022.

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# Indirect Cost

## Purpose

To reimburse the general fund for all expenditures incurred on behalf of Revere's Water and Sewer Enterprise Fund and applicable Special Revenue Funds. This policy provides guidelines for calculating and allocating indirect costs.

## Background

Under authority established in M.G.L. Ch. 44 § 53F½, the accounting transactions for the enterprise funds are recorded and managed separately from the general fund. Revenues and expenses are not commingled with those of any other governmental activity; and consequently there are separate financial statements for each. Consolidating the enterprise fund direct and indirect costs, debt service, and capital expenditures into its own distinct segregated fund allows the City to demonstrate to the public the true total cost of providing the service. The City currently has two Enterprise Funds: Water and Sewer Enterprise and Solid Waste Enterprise. The Water and Sewer Fund is self-supporting and includes all direct and indirect costs. The Solid Waste/Recycling Enterprise has a significant subsidy from the General Fund.

## Applicability

The Chief Financial Officer (CFO) and the Assistant Budget Director are responsible for the development of indirect cost plans for the City's enterprise funds. The Mayor will review and approve the indirect cost plans. The City Council, Mayor, CFO, and Superintendent of the DPW shall use indirect cost plans in their roles as policymakers.

## Policy

As part of the annual budget process, the CFO will calculate the indirect costs owed to the General Fund by the Enterprise and review them with the Mayor. The Mayor and CFO will annually agree to the indirect cost allocation methods and amounts to be covered by the individual funds prior to finalizing the budget with the Superintendent of DPW. Indirect cost expenses will be determined using the most up-to-date cost information available to the CFO at that time. Based on the results, the CFO will record transfers between the relevant funds annually by June 15<sup>th</sup> of each fiscal year. The CFO will maintain written procedures detailing the costs and their calculation methodologies.

## References

M.G.L. c.44 53F1/2

Division of Local Services Informational Guideline Release 22-16: Enterprise Funds

Government Finance Officers Association Best Practices: Indirect Cost Allocation and Evaluating Service Delivery Alternatives



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# Reserve Funds / Fund Balance Policies



# Reserve and Stabilization Funds

## Purpose

The General Stabilization Fund’s purpose is to assure liquidity to the community during periods of time where the outflow of expenditures is greater than the inflow of cash; to accumulate reserve funds in order to reduce risk and promote programs and policies in managing the City’s current and long-term needs as well as strengthen the City’s financial position and enhance its credit rating.

## Background

Rating agencies use this balance as an indicator of sufficient liquidity when determining a bond rating. A target ratio of the General Stabilization Fund balance to the prior year annual general fund budget in the amount of 10% usually assures a high bond rating. The General Stabilization Fund should receive the greater share of Free Cash until the target is reached. Once the target is reached, Free cash should be appropriated into the fund to maintain the target percentage.

State law permits communities to establish one or more types of stabilization funds (i.e., rainy-day funds). Appropriations to stabilization funds cannot exceed certain thresholds and requires a two-thirds vote by the City Council. To release stabilization funds into the general budget, a two-thirds vote is needed by the City Council.

Chapter 3 of the City Ordinances defines the various stabilization Funds for the City. In addition, Chapter 2.90 defines a Housing Trust Fund.

The City maintains the following stabilization and reserve funds:

1. Stabilization Fund
2. Water and Sewer Enterprise Fund - Stabilization Account
3. Capital Improvement Stabilization Fund
4. Drainage, Stormwater, and Culvert Stabilization Fund
5. High School Stabilization Fund
6. OPEB Stabilization Fund
7. Affordable Housing Trust Fund
8. Opioid Abatement Stabilization Fund

In addition to stabilization funds, *free cash*, which is the remaining, unspent, and unrestricted funds from a previous fiscal year’s general budget, may be another reserve funding source once it is certified by the MA Department of Revenue (MA DOR).



## Applicability

This policy applies to the Mayor, City Council, Chief Financial Officer (CFO), Budget Director, Assistant Budget Director, and department heads.

## Policy

1. The City shall accumulate reserve resources in the stabilization funds for future purposes. Appropriations into and from these stabilization funds shall require a two-thirds vote of the City Council.
2. Appropriations into stabilization funds shall come from free cash, operating budget appropriations (when available) and other one-time, nonrecurring revenues that become available for appropriation per state law.
3. The City Treasurer shall take custody of all stabilization funds and shall implement a system of internal controls adequate to safeguard these resources. All stabilization funds shall be recorded in MUNIS, the City's accounting system, and all investment income earned on stabilization funds shall remain within the stabilization funds.
4. The Mayor and City Council may agree to make transfers from any other source to the stabilization funds, provided that any such transfers are approved by a two-thirds vote of the City Council.
5. The City shall consider the use of a broad diversity of revenue sources as allowed under State law to ensure the City's ability to handle fluctuations in various revenue streams with minimal impact on the financial wellbeing of the City.
6. Not more than every three (3) years the CFO shall review and assess the current percentage allocations as they relate to Free Cash to strategic reserves. The CFO shall prepare a report indicating any recommended adjustments to the Mayor.

Please reference Appendix A for applicable City ordinances.

## Free Cash

1. The City shall have its free cash certified by the MA DOR annually. The City shall submit its free cash calculations to the MA DOR upon completion of the fiscal year's annual certified free cash.
2. Free cash shall be used for any lawful municipal purpose.



**References**

M.G.L. c. 40, § 5B.

Revere Code of Ordinances Chapter 3.

Massachusetts Department of Revenue, Division of Local Services: [DLS Best Practices: Free Cash and Special Purpose Stabilization Funds.](#)

Massachusetts Department of Revenue, Division of Local Services: [DLS Departmental Procedure Manual: Enterprise Funds.](#)

Massachusetts Department of Revenue, Division of Local Services: [DLS Informational Guideline Releases 17-20: Stabilization Funds and 17-23: Overlay and Overlay Surplus.](#)

Government Finance Officers Association Best Practices: [Fund Balance Guidelines for the General Fund and Working Capital Targets for Enterprise Funds.](#)

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# Other Post Employment Benefit (OPEB)

## Purpose

To ensure fiscal sustainability, this policy sets guidelines for a responsible plan to meet the City's obligation to provide other post-employment benefits (OPEB) for current and future retirees.

At retirement, in addition to eligibility for a pension - funded in whole or in part by an employee's regular contributions to a pension fund while an active employee - municipal employees in the Commonwealth are entitled to receive what is referred to as OPEB, which includes post-retirement health insurance and may also include dental and life insurance. The City's share of this future benefit for current retirees, as well as the future benefit for current active employees (future retirees), if not funded annually, results in an ever-increasing unfunded liability, that when it comes due, can have severe impacts on a municipality's operating budget.

## Background

OPEB consists primarily of the costs associated with providing health insurance for retirees and their spouses. The Government Accounting Standards Board (GASB) issued Statements No. 43 and No. 45 in 2004 to address the OPEB issue. GASB 43 required the accrual of liabilities of OPEB generally over the working career of plan members rather than the recognition of pay-as-you-go contributions, while GASB 45 required the accrual of the OPEB expense over the same period of time. The reporting requirements of GASB 43 and 45 include disclosures and schedules providing actuarially determined values related to the funded status of OPEB. This requires that the accrued liabilities be determined by a qualified actuary using acceptable actuarial methods.

The City currently has established an OPEB Stabilization Fund under **City Ordinance Chapter 3.09**. It requires the Mayor to submit a transfer from free cash of ***a "sum equal to not less than 5% of the total free cash amount certified by the department of revenue."***

## Applicability

This policy encompasses OPEB-related budget (funding) decisions, accounting, financial reporting, and investment for the City's OPEB Plan and applies to the Mayor and Chief Financial Officer (CFO) in their roles to recommend the proposed annual budget pursuant to MGL c. 40, s. 5b , as custodian of the City's OPEB Stabilization Fund.

## Policy

While there is currently no legal requirement to fund OPEB, the City recognizes the importance and financial advantage of initiating early and regular funding for these long-term obligations.

It shall be the policy of the City as follows:



1. The City is committed to a disciplined and methodical annual funding of the long-term cost of OPEB due its current and future retirees.
2. The City will endeavor to appropriate one-time revenues, free cash balances above the 5% target and other available funds into the OPEB stabilization fund established under MGL Ch. 40, s.2.
3. The City will investigate creating and adopting an irrevocable OPEB trust fund.
4. In order to determine the funding schedule, the City shall continue its current practice of having an independent actuary prepare biennial valuations, which is in compliance with GASB's requirement. Careful consideration shall be given to identifying the investment vehicle that offers the best rate of return in the safest possible environment.
5. The City will engage the services of an actuary every two (2) years to perform an updated actuarial valuation of its OPEB liability as a source of information for decisionmakers about progress toward funding of the liability and to comply with reporting requirements promulgated by GASB. For the purposes of financial reporting, this actuarial valuation will be updated annually as necessary. The actuary shall disaggregate the OPEB liability by; general fund, enterprise funds, and all other funds as identified by the CFO.
6. The City will periodically assess strategies to mitigate its OPEB liability by evaluating the structure of benefits offered and their cost drivers while at the same time avoiding benefit reductions that would place undue burdens on employees or risk making the City an uncompetitive employer.
7. In addition to General Fund contributions to the OPEB Fund, contributions may be received by the Water and Sewer Enterprise Fund as well as any revolving fund that supports health insurance eligible employees.

Please reference Appendix A for applicable City ordinances.

## References

### City Ordinance Chapter 3.09 OPEB Stabilization Fund

*M.G.L. c. 32B, § 20*

*M.G.L. c. 32B, § 20A*

*M.G.L. c. 44, § 54*

*M.G.L. c. 44, § 55*

*M.G.L. c. 203C*

*GASB Statements 75: Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions and 74: Financial Reporting for Postemployment Benefit Plans Other Than Pension Plans*

*Government Finance Officers Association Best Practices: Ensuring Other Postemployment Benefits (OPEB) Sustainability and Sustainable Funding Practices for Defined Benefit Pensions and Other Postemployment Benefits (OPEB)*



<b>Policy Number</b>	
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<b>Revision Date</b>	



# Debt & Investment Management Policies



# Debt Management

## Purpose

Pursuant to Massachusetts General Law (M.G.L.), municipalities may issue debt to finance capital projects and, under extraordinary circumstances, for non-capital purposes. The purpose of this policy is to guide the City in making decisions regarding the issuance of debt needed to maintain capital assets, yet at a level that recurring revenue can support without adversely affecting the delivery of local services.

## Applicability

This policy applies to the Mayor, City Council, Chief Financial Officer (CFO), Treasurer/ Collector, Budget Director, Assistant Budget Director, and department heads.

## Policy

The City's policy regarding debt management shall be as follows:

1. Financial stewards of the City shall prioritize the protection of the City's bond rating and meeting all debt obligations in a timely manner.
2. The City shall confine long-term borrowing to capital improvement projects that cannot be financed from current revenues.
3. When the City finances a capital projects by issuing bonds, it shall back the bonds within a period not to exceed the expected useful life of the project.
4. Total general obligation debt shall not exceed limits provided for in State law.
5. Whenever possible, the City shall use special revenue funds, special assessments, or other self-supporting bonds, instead of general obligation bonds.
6. The City shall not use long-term debt for current operations unless otherwise allowed under special legislation.
7. Prior to borrowing the City shall analyze the benefits of equal payments versus declining balances methods.
8. The City shall endeavor to minimize the term of each debt borrowing whenever possible.
9. The City shall retire bond anticipation debt within six (6) months after the completion of a project.



10. The City shall maintain good communications with bond rating agencies about its financial condition.
11. The City shall monitor existing debt for refinancing possibilities.
12. The City shall follow a policy of full disclosure on every financial report and bond prospectus.

Please reference Appendix A for applicable City ordinances.

**References**

- |                         |                            |
|-------------------------|----------------------------|
| M.G.L. c. 41, § 59      | M.G.L. c. 41, § 61         |
| M.G.L. c. 44, § 4       | M.G.L. c. 44, § 6          |
| M.G.L. c. 44, § 6A      | M.G.L. c. 44, § 7          |
| M.G.L. c. 44, § 8       | M.G.L. c. 44, § 17         |
| M.G.L. c. 44, § 19      | M.G.L. c. 44, § 20         |
| M.G.L. c. 44, § 20A     | M.G.L. c. 44, § 21A        |
| M.G.L. c. 59, § 21C (f) | M.G.L. c. 59, § 21C (i1/2) |
| M.G.L. c. 59, § 21C (j) | M.G.L. c. 80, § 13         |
| 26 USC § 148            |                            |

Massachusetts Department of Revenue, Division of Local Services: [DLS Best Practice: Understanding Municipal Debt](#)

Massachusetts Department of Revenue, Division of Local Services: [DLS Borrowing Guidelines: Asset Useful Life - Borrowing Limits.](#)

Massachusetts Department of Revenue, Division of Local Services: [DLS Informational Guideline Releases 17-21: Borrowing and 17-22: Premiums and Surplus Proceeds for Proposition 2½ Excluded Debt.](#)

Government Finance Officers Association Best Practice: [Refunding Municipal Bonds.](#)

Internal Revenue Service Guidance: [Arbitrage Guidance for Tax-Exempt Bonds.](#)

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# Investment Management

## Purpose

To state the City's investment objectives, goals, risk tolerance, and investment guidelines for the investment of City funds.

## Background

A local government investment policy establishes guidelines and responsibilities in accordance with state law for managing and investing municipal funds.

The Governmental Accounting Standards Board (GASB) recommends the disclosure of key policies affecting cash deposits and other long-term investments to ensure they are managed prudently or are not subject to extraordinary risks.

When assessing municipalities for credit quality, rating agencies look for investment management policies that address selection of financial institutions for services and transactions, risk assessment, investment objectives, investment maturities and volatility, portfolio diversification, safekeeping and custody, and investment performance reporting, benchmarking, and disclosure.

## Applicability

This policy applies to the Mayor, City Council, Chief Financial Officer (CFO), Budget Director, Treasurer, Assistant Budget Director, and department heads.

## Policy

1. The City Treasurer shall be responsible for the City's investment of its excess cash resources in accordance with state law. The priority of the City's investments is to provide liquidity, security and yield, in that specific order.
2. The City shall invest such funds prudently, consistent with the provisions of MGL, Ch. 44, Sec. 54, 55 and 55B.
3. The City's investment of its excess cash shall seek to protect the principal balance of the investment and enable the City to liquidate its investment in a prompt and timely manner. These two (2) principles of safety and liquidity shall prevail over the investment yield.
4. The City will consider the following risks when investing in high quality options; credit risk, custodial risk, concentration of credit risk, interest rate risk, and foreign currency risk.



4. Assets will be diversified between a combination of high-grade fixed income securities, individual equities, and mutual funds within the Massachusetts List of Legal Investments as defined by M.G.L.
5. The investment policy for long-term funds such as permanent, private purpose, and any other funds with special circumstances, such as stabilization, CPA or conservation fund needs to match the needs of the anticipated requests or periodic disbursements from the financial assets most likely to meet those cash flow needs.
6. The investment performance will be measured in comparison with the stated objectives against respective benchmarks.
7. Trust fund investments are permitted to be co-mingled with a minimum of \$250,000; however, each trust fund must be accounted for separately.
8. The City's Treasurer shall not be held responsible for adverse investment performance whereby he/she abided by this investment policy and exercised the standard of prudence as well as reasonable due diligence in making investment decisions.
9. The City Treasurer shall periodically review the creditworthiness of the financial institutions that hold and/or manage its excess cash resources. The City shall evaluate the need for collateralization agreements for its cash and investments.
10. The City Treasurer shall refer to the investment restrictions imposed by state law prior to purchasing an investment.
11. The City shall at all times remain independent in fact and appearance with respect to its investments. The City shall take all necessary steps to avoid conflicts of interest.
12. In the event that the city chooses to remove itself, through legislative action, from the requirements of the "Legal List", it must select a professional investment advisor and adhere to the "Prudent Investor" standards.
13. **Short-Term Investments:**  
The City may invest in the following instruments / amounts short-term investments of General Funds, Special Revenue, Enterprise Funds and / or Capital Project Funds:
  - a. Massachusetts Municipal Depository Trust (MMDT) – Unlimited amounts
  - b. U. S. Treasuries that will be held to maturity (up to one-year maturity from date of purchase) - Unlimited amounts
  - c. U.S. Agency Obligations that will be held to maturity (up to one-year maturity from date of purchase) - Unlimited amounts



- d. Collateralized bank accounts or certificates of deposit (CD's) (up to one-year maturity from date of purchase) - Unlimited amounts
- e. FDIC-insured bank accounts or CD's (up to one-year maturity from date of purchase) - Unlimited amounts
- f. Depositors Insurance Fund (DIF) – Verify the amount of coverage available to determine limit
- g. Money Market Mutual Funds that are registered with the Securities and Exchange Commission that have received the highest possible rating from at least one nationally recognized statistical rating organization and as otherwise referenced in the M.G.L. Ch. 44 s. 55 - Verify the amount of coverage available to determine limit
- h. Investment funds that are listed in the state's List of Legal Investments – Unlimited amounts
- i. Any other financial instrument not listed above but included in State's *List of Legal Investments* - Unlimited amounts

**14. Long-Term Investments:**

The City may invest in the following instruments / amounts long-term investments for excess General Funds, Trust and Stabilization Funds:

- a. Massachusetts Municipal Depository Trust (MMDT) – Unlimited amounts
- b. U. S. Treasuries - Unlimited amounts
- c. U.S. Agency Obligations - Unlimited amounts
- d. Collateralized bank accounts or certificates of deposit (CD's) - Unlimited amounts
- e. FDIC-insured bank accounts or CD's - Unlimited amounts
- f. Depositors Insurance Fund (DIF) – Verify the amount of coverage available to determine limit
- g. Money Market Mutual Funds that are registered with the Securities and Exchange Commission that have received the highest possible rating from at least one nationally recognized statistical rating organization and as otherwise referenced in the MGL 44 Section 55 - Verify the amount of coverage available to determine limit
- h. Investment funds that are listed in the state's List of Legal Investments – Unlimited amounts
- i. Any other financial instrument not listed above but included in State's *List of Legal Investments* - Unlimited amounts

Please reference Appendix A for applicable City ordinances.



**References**

M.G.L. c. 44, § 54

M.G.L. c. 44, § 55

M.G.L. c. 44, § 55B

Massachusetts Office of the Commissioner of Banks: List of Legal Investments

Governmental Accounting Standards Board Statement 40: Deposit and Investment Risk Disclosures

Massachusetts Collectors' and Treasurers' Association – Treasurer's Manual, Chapter 11, Effective Cash Management.

Internal Revenue Service - Complying with Arbitrage Requirements: A Guide for Issuers of Tax-Exempt Bonds  
<https://www.irs.gov/pub/irs-pdf/p5271.pdf>

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# Grants Management Policies



# Gift & Grant Administration

## Purpose

The purpose of this policy is to govern the management of grants and gifts. Grants are predominantly from agencies of the Commonwealth or the Federal government but also may be offered by private entities. Gifts of money or property generally come from private donors for a particular purpose.

A municipality's use of grants and gifts can be a valuable tool in the pursuit of policy goals and objectives; but effective grant and gift management requires diligence from pre-application/donation review through grant/gift implementation to grant/gift closing.

This policy establishes a framework for evaluating grant/gift opportunities, tracking grant/gift activity, processing grant/gift revenues and expenditures, and receiving, using, and disposing of non-monetary gifts.

## Background

The Division of Local Services (DLS) recommends analyzing current and future impact of grants on operating budget, capital improvement program, and debt management.

The Government Finance Officers Association (GFOA) recommends that governments establish processes to promote awareness throughout the government that grants normally come with significant requirements.

## Applicability

This policy applies to the Mayor, City Council, Chief Financial Officer (CFO), City Auditor, Internal Auditor, and department heads.

## Policy

1. All proposed grants, gifts, and donations shall be evaluated for consistency with City policies and mission as well as for future impact on the City annual operating budget.
2. No grant shall be used to supplant the general fund operating budget or any enterprise / revolving fund budget.
3. All grants, gifts, and donations are required to be accepted by the City Council. With the exception of Revere Public School grants, gifts, and donations, which may be accepted by the School Committee.
4. All gifts and donations shall be managed and expended in accordance with the instructions of the donor, allowing for limitations of law and regulation.



5. All grants shall be managed to comply with the guidance of the grantor, allowing for limitations of law and regulation.
6. Spending of grant funds must not occur without approval by the City Auditor and must not occur prior to setting up a dedicated special revenue fund.
7. The special revenue fund will have budgetary controls that do not allow the department to expend beyond the approval grant amount.
8. The department is required to inform the Internal Auditor and the City Auditor of matching fund and / or ongoing funding stipulation prior to applying for grants, and matching funds are required to be secured prior to setting up a special revenue fund.
9. The department is required to submit timely reimbursements for special revenue funds and any cash deficits at year-end must be reimbursed no later than ninety (90) days after the year end. There shall be no negative balances in gifts and / or grant accounts at fiscal year-end.
10. The City shall require quarterly reconciliations between the financial information contained in MUNIS to the financial information maintained by departments that have federal/state grants and/or special revenue accounts.

Please reference Appendix A for applicable City ordinances.

**References**

M.G.L. c. 44, § 6A

M.G.L. c. 44, § 53A

M.G.L. c. 71, § 37A

Various state and federal agency awards

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<b>Revision Date</b>	
<b>Revision Date</b>	



# User Fees Policies



# User Fees & Charges

## Purpose

The purpose of this policy is to guide the City in making determinations of the amount to be set as a user fee for a particular service.

One source of revenue to finance the operations of municipalities in Massachusetts is the broad category of “local receipts”. A subset of local receipts is user fees, which encompasses excises and charges for services. The amount that can be charged for certain user fees, excises, and charges for services is established by statute, (e.g., motor vehicle excise, hunting licenses, and firearms permits). Other fees and charges are determined by each municipality, (e.g., building permit fees, recreation fees, and utility charges), to name a few.

## Background

The Government Finance Officers Association (GFOA) recommends that when certain services provided, especially those that benefit a particular group, governments should consider charges and fees for the service recipients. Well-designed charges and fees reduce the need for additional property taxes and promote service efficiency.

The Division of Local Services (DLS) recommends communities adopt written policies for setting charges and fees. A policy should identify what factors should be considered when pricing services. It should also state whether the community intends to recover the full cost of providing the service or benefit and under what circumstances a charge or fee is set at less than full recovery (e.g., debt exclusion or another subsidy). Such a policy and the fee structure should be reviewed periodically to ensure they remain current, and both should be communicated with the public clearly and openly.

## Applicability

This policy shall apply to City departments, boards, committees, and committees with responsibility for setting user fees not fixed by statute and the Mayor with responsibility for overseeing the implementation of this policy.

## Policy

It shall be the policy of the City’ to set user fees as follows:

1. The Chief Financial Officer (CFO), with support from the Assistant Budget Director and department heads, shall identify those services that are candidates for the establishment of a user fee . The diversification of general fund revenue options promotes fairness among citizens and taxpayers, while reducing pressure on the property tax levy.
2. The CFO, with support from the Assistant Budget Director and department heads, shall calculate a user fee.



3. The CFO shall make recommendations to the Mayor regarding the percentage of the service to be supported by the general fund.
4. The CFO shall review existing user fees, at a minimum of every three years, with the exception of utility charges, which shall be reviewed annually. This review is intended to assess if existing user fees are appropriately capturing the total or partial cost of delivering the service.
5. A board, committee or commission shall adopt formal criteria for fully or partially waiving fees.
6. A department head shall report to the appropriate board, committee or commission of individual fees waived in the prior month, the basis for the waiver and the amount waived.

Please reference Appendix B for updated City Council Table of Fees of the Revised Ordinances of the City of Revere

**References**

M.G.L. c. 40, § 22F (authority to fix reasonable fees for licenses, permits, or certificates issued pursuant to statutes or regulations)  
 M.G.L. c. 44, § 53G (employment of outside consultants)  
 M.G.L. c. 45, § 14 (fee setting authority – recreation commissions)  
 Emerson College v. Boston, 391 Mass. 415 (1984).  
Costing Municipal Services: Workbook and Case Study, MA DOR Division of Local Services workbook.  
 Establishing Government Charges and Fees, Government Finance Officers Association Best Practice, February 2014  
 Massachusetts Department of Revenue, Division of Local Services, February 2016. DLS Guidance on User Fees.pdf  
Best Practices: Establishing Government Charges and Fees. Government Finance Officers’ Association.  
<https://www.gfoa.org/materials/establishing-government-charges-and-fees>

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<b>Revision Date</b>	



# Risk Management Policies



# Risk Management Program

## Purpose

The purpose of this policy is to acknowledge potential liabilities that can affect public and employee safety, City property, the City's delivery of services and its financial condition; and to develop strategies and programs to identify, minimize, or reduce risk associated with these liabilities.

## Background

In recognition that during daily operations, a municipality is constantly exposed to potential impact of property loss, personal injury, and liability, the Government Financial Officers Association (GFOA) recommends that governments develop a comprehensive risk management program that identifies, reduces or minimizes risk to its property, interests, and employees. The cost and consequences of harmful or damaging incidents arising from those risks should be contained.

## Applicability

The Mayor and the designated Risk Manager shall have overall responsibility for the Risk Management Program with assistance from a Risk Management Committee composed of members selected by the Mayor and/or his/her designee.

## Policy

It shall be the responsibility of the Risk Manager, on an ongoing basis, to identify, analyze, evaluate, and manage risks associated with the delivery of City services, including information technology, and develop programs to mitigate these risks. Such programs shall include but not be limited to the following:

1. The Risk Manager shall collaborate with the City's insurance carriers to implement best practices to mitigate risk exposures and reduction in premium costs.
2. The procurement of property, theft, liability, automobile, cyber security, and workers' compensation insurance at levels adequate to protect the City against loss and litigation.
3. At least every five (5) years, the Risk Manager shall seek proposals to determine if existing property and liability coverage are cost competitive and adequately address the City's risk exposures.
4. The City Solicitor shall develop language for construction and service contracts that, where appropriate, results in the transfer of risk to other parties.

Please reference Appendix A for applicable City ordinances.



**References**

Government Finance Officers Association Best Practice: Enterprise Risk Management, March 6, 2020

Government Finance Officers Association Best Practice: Business Preparedness and Continuity Guidelines October 31, 2008

<b>Policy Number</b>	
<b>Approval Date</b>	
<b>Revision Date</b>	
<b>Revision Date</b>	
<b>Revision Date</b>	



# Fraud / Anti-Fraud Policy

## Purpose

The purpose of this policy is to formalize the City's commitment to protect its assets from abuse and fraud and to establish written guidelines and procedures to affect such protection.

## Background

Public trust is critical to the success and integrity of municipal government. Employee confidence in government is equally essential. The City's commitment to protecting its revenue, property, information, and other assets from fraud and abuse is critical not only to protecting these assets but also to earning the public's trust and employee confidence.

Fraud is commonly understood as dishonesty calculated for a personal advantage, whether to oneself or another related party, or to damage another party. Fraud can be committed through virtually any medium (i.e., wire, phone, mail, in person, etc.).

With respect to Massachusetts municipalities, the most common type of fraud in the workplace today is *occupational fraud*.

Occupational fraud is defined by the City as the use of one's City position for personal enrichment through the deliberate misuse or misapplication of the City's resources or assets. Occupational fraud can involve

- the stealing of cash, City property or the misuse of City assets (i.e., using City vehicles for personal use);
- corruption, which is the wrongful use of one's position within the City for personal gain;
- bribery, which is the offer and acceptance of cash or other consideration to influence an official act;
- conflicts of interest (see also GEN02);
- illegal gratuities, which is the offer and acceptance of gifts in exchange for an official act;
- economic extortion, which is where a City official demands a third party to perform or make a payment to influence an official act; and
- falsification of financial information, including falsifying payroll records.

There are other types of fraud that may affect the City. City employees, elected and appointed officials should be aware of questionable behavior and business practices by their peers, members of the public and outside parties that place City assets at risk.



## Applicability

This policy applies to full-time, part-time, seasonal, and casual employees; appointed officials, elected officials, and committee members; and volunteers and interns in the performance of their duties. This policy shall also apply to any business or individual doing business with the City.

## Definitions

1. Assets – City funds, securities, supplies, inventory, vehicles, furniture, fixtures, equipment, and anything else of value.
2. Fraud - Including but not limited to misappropriation of assets, larceny, corruption, fraudulent statements or financial reporting, and incurrence of expenditures and liabilities for improper purposes.
3. Misappropriation of Assets -
  - Forgery, alteration, or misappropriation of checks, drafts, promissory notes, or securities
  - 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)
  - Embezzlement
  - Theft
  - Falsifying time sheets or payroll records
  - Falsifying travel or entertainment expenses and/or utilizing town funds to pay for personal expenses or for personal benefit
  - Fictitious reporting of receipt of funds
  - Fraudulent Financial Reporting
  - Improper revenue recognition
  - Improper expense/expenditure recognition
  - Overstatement of assets
  - Understatement of liabilities
4. Expenditures and Liabilities for Improper Purposes - Payments in money or other property, including but not limited to such things as jobs for families and friends, use of vacation properties, discounted or free services in exchange for benefits and other things of value, bribes and kickbacks

## Policy

It shall be the policy of the City regarding protection of its assets as follows:

1. The City shall have a zero-tolerance policy with regard to fraud and is committed to undertake the following steps as part of its Fraud / Anti-Fraud policy:
  - **Education**
  - **Prevention**
  - **Detection**
  - **Investigation**



- Corrective Action

1. Each City department head is responsible to evaluating their individual department’s internal controls that serve to safeguard the City’s assets and prevent theft and misappropriation.
2. The City’s employees, elected and appointed officials must, at all times, comply with all applicable laws and regulations. The City will not condone the activities of its employees and/or officials who achieve results through violations of the law or unethical business dealings. All City activities shall be conducted to withstand the closest possible public scrutiny.
3. The City shall investigate all credible suspicions of fraud. All City employees, elected and appointed officials have a duty to cooperate with the City in its investigations.
4. A “whistleblower” can expect the full protection of the City as stipulated in state and federal law.
5. City employees, elected and appointed officials who knowingly made false allegations will be subject to discipline, up to and including termination.
6. The Office of the Mayor shall be the only contact point for media issues that arise in connection with fraud. No unauthorized employee may speak to the media regarding any fraud issue. Failure to comply with this policy may result in discipline up to and including termination.
7. The City expects all parties to whom this policy is applicable to comply with all aspects of this policy - and procedures and protocols developed pursuant to it - as well as all applicable State and Federal laws and regulations.

Please reference Appendix A for applicable City ordinances.

**References**

Guide to Developing and Implementing Fraud Prevention Programs, MA Office of the Inspector General, April 2005  
 MGL Chapter 26A, 26B, Conflict of Interest, Conduct of Public Officials and Employees  
MGL c. 149, §185, Massachusetts Whistleblower Act

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# Whistleblower Policy

## Purpose

The purpose of this policy is to formalize the City’s commitment to protecting whistleblowers to the extent possible under the law. The City of Revere requires employees to observe high standards of business and personal ethics in the conduct of their duties and responsibilities. Employees and representatives of the City of Revere must practice honesty and integrity in fulfilling all responsibilities and comply with all applicable laws and regulations.

## Background

The foundation for whistleblower policies in Massachusetts municipalities stems from Massachusetts General Laws (M.G.L) Chapter 149, Sec. 185, the state’s primary whistleblower protection statute enacted in 1993. The law explicitly protects public-sector employees, including municipal employees of cities, towns, counties, and districts from retaliation for reporting violations of law, risks to public health, safety or the environment, or misuse of authority.

## Applicability

This policy applies to full-time, part-time, seasonal, and casual employees; appointed officials, elected officials, and committee members; and volunteers and interns in the performance of their duties. This policy shall also apply to any business or individual doing business with the City.

## Definitions

1. Assets: City funds, securities, supplies, inventory, vehicles, furniture, fixtures, equipment, and anything else of value.
2. Fraud: Including but not limited to misappropriation of assets, larceny, corruption, fraudulent statements or financial reporting, and incurrence of expenditures and liabilities for improper purposes.
3. Covered Employees: Any “employer” that receives public funds or performs public functions, which includes all 351 Massachusetts cities and towns.
4. Whistleblower: A person, typically an employee, who exposes hidden misconduct, illegal activities, or dangers within an organization by reporting the issue(s) to authorities.
5. Misappropriation of Assets:
  - Forgery, alteration, or misappropriation of checks, drafts, promissory notes, or securities
  - 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)
  - Embezzlement
  - Theft
  - Falsifying time sheets or payroll records



- Falsifying travel or entertainment expenses and/or utilizing town funds to pay for personal expenses or for personal benefit
  - Fictitious reporting of receipt of funds
  - Fraudulent Financial Reporting
  - Improper revenue recognition
  - Improper expense/expenditure recognition
  - Overstatement of assets
  - Understatement of liabilities
6. Expenditures and Liabilities for Improper Purposes: Payments in money or other property, including but not limited to such things as jobs for families and friends, use of vacation properties, discounted or free services in exchange for benefits and other things of value, bribes and kickbacks

## Policy

It shall be the policy of the City regarding protection of whistleblowers as follows:

1. A “whistleblower” can expect the full protection of the City as stipulated in state and federal law.
2. **Reporting Responsibility:** It is the responsibility of all employees to report violations or suspected fraud, including questionable accounting or auditing practices in accordance with this Whistleblower Policy.
3. **No Retaliation:** No employee who in good faith reports a violation shall suffer harassment, retaliation or adverse employment consequence. An employee who retaliates against someone who has reported a violation in good faith is subject to discipline up to and including termination of employment. This Whistleblower Policy is intended to encourage and enable employees and others to raise serious concerns within the City prior to seeking resolution outside the City.
4. **Reporting Violations:** The City of Revere has shall practice an open-door policy which openly offers the opportunity for employees to share their questions, concerns, suggestions or complaints with someone who can address them properly. In most cases, an employee's supervisor is in the best position to address an area of concern. However, if an employee is not comfortable speaking with a supervisor or the employee is not satisfied with a supervisor's response, the employee is encouraged to speak with the identified contacts noted in the *Whistleblower Procedure*.

Supervisors and managers are required to report suspected violations or fraud to the Chief Financial Officer. For suspected fraud, or when an employee is not satisfied or comfortable with following the City's open-door policy, individuals shall contact the City's independent audit firm directly or the local authorities.

5. Anyone filing a complaint concerning a violation or suspected violation must be acting in good faith and have reasonable grounds for believing the information disclosed indicates a violation. Any allegations that



prove not to be substantiated and which prove to have been made maliciously or knowingly to be false will be viewed as a serious disciplinary offense.

6. Violations or suspected violations may be submitted on a confidential basis by the whistleblower or may be submitted anonymously. Reports of violations or suspected violations will be kept confidential to the extent possible, consistent with the need to conduct an adequate investigation.
7. The Chief Financial Officer (CFO) shall be responsible for investigating and resolving all reported complaints and allegations concerning potential instances of fraud or abuse and questionable accounting or auditing practices. At the CFO's discretion, he/she shall advise the Mayor, who has direct access to the City's independent audit firm, and is required to report to the auditor any fraud, abuse, or questionable practices.
8. The CFO will notify the whistleblower and acknowledge receipt of the reported violation or suspected violation within five business days. All reports will be promptly investigated, and appropriate corrective action will be taken if warranted by the investigation.
9. The CFO shall address all reported concerns or complaints regarding accounting practices, internal controls or auditing. The CFO shall immediately notify the City's independent auditor of any such complaint and work until the matter is resolved.

**References**

Guide to Developing and Implementing Fraud Prevention Programs, MA Office of the Inspector General, April 2005  
MGL Chapter 26A, 26B, Conflict of Interest, Conduct of Public Officials and Employees  
MGL c. 149, §185, Massachusetts Whistleblower Act

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# General Financial Operations Policies



# Purchasing & Procurement

## Purpose

The purpose of this policy is to confirm the City of Revere’s commitment to comply with state statutes that govern a municipality’s procurement of goods and services and to identify parties that are subject to such compliance.

## Background

The Massachusetts Office of the Inspector General (OIG) is responsible for enforcing the state laws that apply to public procurement procedures. The OIG publishes the manual, “The Chapter 30B Manual: Procuring Supplies, Services, and Real Property”. The most recent manual of May 2023, contains all of these requirements with detailed explanations and procedures for compliance.

## Applicability

This policy applies to the Mayor, Chief Financial Officer, Chief Procurement Officer, department heads, and all departments undertaking procurement.

## Policy

1. The City shall comply with the requirements and guidance contained in the Inspector General’s “*The Chapter 30B Manual: Procuring Supplies, Services and Real Property.*”
2. The City shall appoint a Chief Procurement Officer (CPO) to oversee the procurement of all supplies or services. The CPO may designate responsibilities as prescribed by the OIG. The City shall require that the CPO and any designated employee obtain a Massachusetts Certified Public Purchasing Official designation.
3. The City shall use its best efforts to secure the most cost beneficial products and services that are of good quality.
4. The City shall conduct all procurements using sound business practices and in compliance with all applicable laws and regulations of the Commonwealth and City charter and Ordinances, including City Ordinance Chapter 3.04 Purchasing and ethics provisions that govern the conduct of public officials and employees.
5. The Purchasing Department shall periodically notify City departments of changes in state procurement laws.
6. The Chief Procurement Officer and City Solicitor shall review and/or develop all contracts, leases, agreements and other day-to-day legal documents related to the City’s procurement of goods and services.



**References**

MGL Chapter 30B

MGL Chapter 149

City Ordinance Chapter 3.04 Purchasing

Inspector General’s *“The Chapter 30B Manual: Procuring Supplies, Services and Real Property*

Policy Number	EXP01.001
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# Banking Relationships

## Purpose

To permit the City Treasurer to enter into banking relationships which best serve the needs of the City while safeguarding its assets and returning the highest possible yield.

## Applicability

This policy applies to the CFO and City Treasurer.

## Policy

1. The City Treasurer shall be solely responsible for the selection of the City’s banking relationships, provided that the City Treasurer adhere to state laws and regulations and that the City Treasurer does not enter into banking relationships for which there is a clear and/or apparent conflict of interest.
2. The City Treasurer shall invest City monies not required to be kept liquid for the purposes of distribution taking into account safety, liquidity and yield.
3. The City Treasurer shall evaluate banking relationships based on interest rates, service charges, depository insurance levels and other criteria deemed appropriate by the City Treasurer.
4. The City Treasurer shall not enter into any banking relationship that limits the City’s ability to enter into banking relationships with any other qualified financial institution.
5. The City Treasurer shall document his/her rationale surrounding the execution of a banking relationship that may become available for inspection by the CFO, Mayor and/or City Council if requested.

## References

MGL Chapter 41§ 35

MGL Chapter 44 §55B

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# Tax Title / Liens / Payment Plans

## Purpose

To provide guidance for equitably enforcing tax obligations and set expectations for both the City and taxpayers, this policy clearly defines when and how the City will transition unpaid property taxes from delinquent, to tax title and through to foreclosure. It is in the best interest of the City and its residents that property taxes be paid when due. The City budget is set in anticipation of the collection of taxes, and taxes not paid and foreclosed upon by City would shift the cost burden onto others. The City recognizes that individuals may go through periods of financial difficulty, but any taxpayer who becomes delinquent will be encouraged to find alternative resources to pay in full as soon as possible.

## Background

Massachusetts General Laws (MGL) Chapter 60 contains many sections governing delinquent real estate and personal property taxes. The Division of Local Services (DLS) publishes legal updates, bulletins and Q&A documents to guide Tax Collectors .

## Applicability

This policy applies to the City Treasurer/Collector and City Tax Title Attorney.

## Policy

The City intends to timely pursue all legal methods to collect taxes from delinquent property owners with the aim of achieving a target 98 percent property tax collection rate by the next fiscal year-end. The City will also periodically pursue foreclosure actions with the primary objective of receiving all monies due. The Treasurer shall take the following actions to resolve the delinquency or protect the City's assets (property tax receivable) against loss:

### 1. Demands

Final taxes are due to be paid as of May 1 each year (the due date for the fourth quarter tax bill). No later than June 1, the City Collector will issue demand notices to all assessed property owners who have failed to pay in full, have not been granted full exemptions, and do not have automatic stays on record due to bankruptcy filings.

### 2. Utility Liens

Outstanding water and sewer charges, and any other outstanding accounts receivable that the City deems acceptable, may be added to the property tax bill for collection purposes. Because the City accepted M.G.L. c. 40, §§42A-42F, the Treasurer/Collector may certify the respective unpaid taxes and charges to the Assessors. These unpaid amounts are then added to, and become part of, the real estate taxes.



### **3. Tax Taking**

The City Collector will begin the tax taking process within 90 days of the demand notice. State law allows the process to begin as soon as 15 days after the demand; but, in every case, the City Collector must complete the takings within 3½ years from the end of the fiscal year for which the taxes were assessed to secure, or perfect, the tax liens. The City Collector will work with delinquent taxpayers to delay the tax taking process as long as the taxpayer is making scheduled payments of at least 10% of the outstanding tax and the delinquency is fully paid within three years of the fiscal year in which the taxes were not paid.

The City Collector will establish an annual tax taking schedule for all delinquent taxpayers who have failed to respond to the demand notices or meet their partial payment requirements. The City Collector will send at least one enforcement letter to delinquent property owners as a courtesy to potentially avoid a tax taking advertisement. If this does not result in full remittance by October 1, the City Collector will publish a Notice of Tax Taking in the local newspaper and on the City web-site. The City shall post the notice on bulletin boards at City hall and the Public Library. From this point forward only cash, certified check, or cashier's check are acceptable forms of payment.

Within 60 days of the tax taking announcements, the City Collector may prepare an Instrument of Taking form for each delinquent property and record them at the Registry of Deeds to perfect the tax liens. After receiving the recorded Instruments back from the Registry, the City Collector will notify the affected property owners of the liens by sending each of them a letter and a copy of the Instrument. The City Collector will provide copies of the List of Recorded Takings to the City Auditor and Mayor.

The City Collector and City Tax Title Attorney shall carefully document the taking process to preserve the City's rights for future actions.

### **4. Subsequent Taxes**

After the demand bill and before June 15 each year, the City Collector will certify all unpaid taxes for parcels of real estate taken into tax title for nonpayment of taxes in prior years and not yet redeemed and put them in a Subsequent Tax Takings report. The City Collector will retain one copy and provide copies of the report to the City Auditor and Mayor.

### **5. Interest, Fees, and License Revocation**

All delinquent taxpayers are subject to charges, which the City Collector will add to their accounts and tax bills. These include interest accrued to the date of tax taking, advertising fees, certified mailing costs, legal fees, and all recording fees. The City Collector will create a list of all the individuals who are delinquent in paying taxes or other charges and provide it to the City departments, boards, and committees that issue licenses and permits. These authorities will review the list to deny, suspend, or revoke delinquent taxpayers' licenses and permits.



**6. Redemption or Foreclosure**

The primary policy goal of the foreclosure process is to receive the outstanding amounts owed. At least once every year, the City Treasurer will review all tax title properties that are older than one year and do not have payment agreements or bankruptcy recordings. From these, the City Treasurer will identify all properties of significant value to process for potential foreclosure in Land Court. The Collector must pursue foreclosure if the total amount owed is greater than 50% of the property value.

As manager of the service contract, the City Treasurer will ensure the tax title attorney complies with the objectives laid out in this policy. The City Treasurer will work with the tax title attorney to prepare parcels in tax title status for foreclosure, beginning by providing each Instrument of Taking. The tax title attorney will research the tax title properties and mail new collection enforcement letters to the taxpayers telling them of the importance of redeeming the property and warning of potential foreclosure action.

If a taxpayer or other party pays the outstanding amount on a tax title property, the City Treasurer will prepare an Instrument of Redemption and file it at the Registry of Deeds, which removes the lien. Redemption can only be done prior to the property being foreclosed. If the obligation remains unpaid, the tax title attorney will proceed with foreclosure action in Land Court, possibly resulting in auctioning of the property.

In addition to Land Court foreclosure referrals, the City Treasurer is responsible for completing foreclosures on any properties below the “Land of Low Value” threshold, which is annually updated each spring by the Division of Local Services (DLS).

**References**

- MGL Chapter 40
- MGL Chapter 60
- DLS Bulletin 2024-6; 2025-6

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# Tailings

## Purpose

The purpose of this policy is to formalize procedures, pursuant to Massachusetts General Law, to address the disposition of uncashed checks issued by the City of Revere; that is, to attempt to timely contact the payees of the uncashed checks in effort to have the parties take possession of the payments to which they are entitled, and, if such efforts are unsuccessful to escheat the funds to the Town’s treasury to be available to support future appropriations for any lawful purpose.

## Background

A disbursed, but uncashed check, represents a liability on the City’s books. It can arise from any check issued to pay an employee or vendor, refund a municipal tax or charge, or pay any other municipal obligation. Tailings constitute unclaimed property under Massachusetts General Laws.

## Applicability

This policy applies to the Chief Financial Officer and City Treasurer.

## Policy

It shall be the policy of the City as follows:

1. To systematically, on annual basis, identify tailings and pursue remedies to ensure that the parties entitled to the tailings successfully claim the amounts they are due, or in the event of failure of such efforts, the unclaimed funds are returned to the City Treasury.
2. In accordance with Massachusetts General Laws every check issued by the City Treasurer shall include the following language on its face: “Void if not cashed within 60 days of issuance.”

## References

M.G.L. c. 200A, § 9A

Massachusetts Collectors & Treasurers Association: [Treasurer’s Manual](#)

Policy Number	
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Revision Date	
Revision Date	



# Reconciliations

## Purpose

The purpose of regular reconciliations of cash and accounts receivable is to ensure revenue transactions are in balance, mitigate fraud, and safeguard general ledger accuracy. Failure to reconcile cash and accounts receivable hampers the City’s ability to produce reliable revenue reports, maintain accurate records, close its books, make timely submissions to the Massachusetts Department of Revenue, Division of Local Services (DLS), and complete audits. In addition, unresolved variances can reduce the amount of free cash certified by DLS and may result in significant deficiency findings by the City’s independent auditor.

## Background

Two of the largest assets for a community are cash and receivables. The City Treasurer is the custodian of the community’s revenues, tax titles, and tax possessions, while a Collector keeps listings of outstanding receivables due to the community, and the City Auditor is responsible for maintaining the accounting records. Prompt and frequent reconciliations between these offices are essential to sound internal controls and ensure that proper checks and balances are in place.

## Applicability

This policy applies to any City department with the responsibility for the issuance of bills for taxes or charges for services, and/or for the collection of fees, the City Treasurer/Collector, as well as the City Auditor

## Policy

1. The City shall reconcile its cash to the monthly bank statements and then to the general ledger on a monthly basis.
2. The City shall reconcile its committed accounts receivable with that of the General Ledger on a monthly basis.

## References

Reconciling Cash and Receivables, MA DOR Division of Local Services Best Practice, January 2020.

Treasurer's Cash Book, MA DOR Division of Local Services Best Practice, January 2020.

Collectors Manual Receivable Control, Massachusetts Collectors and Treasurers Association, 2017.

Policy Number	FIN03.001
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Revision Date	



# Financial Monitoring and Reporting

## Purpose

The purpose of this policy is to identify those with responsibility to generate, review and act on monthly reports; and to describe alternative approaches to budget adjustments.

## Background

After the annual operating budget or capital budgets are adopted, prudent financial practices require periodically monitoring actual expenditures in comparison to the adopted budget, and revenues compared to estimates. The objective is to identify potential budgetary shortfalls or revenue deficits and provide staff and elected and appointed officials with the opportunity to identify preemptive actions to preclude them.

Monthly reporting is the mechanism by which monitoring the budget is done to identify rates of spending that may indicate expenditures may exceed budget, or revenues will not meet estimates, which may require adjustments to spending or the budget.

## Applicability

This policy applies to the Mayor, City Council, Budget Director, Assistant Budget Director, and Budget Analyst.

## Policy

1. The Assistant Budget Director and Budget Analyst shall generate the following for distribution to Department Heads:
  - a. Monthly reports of actual spending fiscal year-to-date compared to budget for all departmental and non-departmental spending by Fund, e.g., general and enterprise, and capital projects voted under special articles.
  - b. Monthly reports of estimated departmental revenues, by account, for the general fund, and any enterprise fund, as compared to annual estimates for each account.

If, based on the reporting described above, the Assistant Budget Director and Budget Analyst, in consultation with the Department Heads, identifies any potential shortfalls, he/she shall disclose them to the CFO/Budget Director accompanied by proposed alternatives to remedy such shortfalls. No expenditure shall be made from the City's general operating budget, whereby any portion of the expenditure results in a deficiency in the annual appropriation for that expenditure line item.

2. Department heads shall have access within MUNIS, the City's accounting system, to review their budget to actual results.



3. The Assistant Budget Director and Budget Analyst shall regularly investigate unfavorable budget to actual variances with the Budget Director and/or department heads.

**References**

MGL Chapter 41 §58

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# Audits

## Purpose

The purpose of an audit is to obtain independent assurance that a City's year-end financial statements are reliable, accurate, and complete. An audit also helps to ensure that financial checks and balances are in place to protect public assets. Consequently, it can be a powerful tool by which a City can build taxpayer confidence in government operations. The Massachusetts Division of Local Services has stated, *"An audit is an examination of systems, programs, and financial data intended to provide independent assurance that a community's financial statements are reliable, accurate, and complete. An audit also confirms that financial checks and balances are in place to protect public assets. As a matter of best practice, communities engage certified public accountants to conduct independent audits of their financial records to review operating procedures, verify financial controls, and comment on management practices in a formal, transparent process."*

## Background

The Government Finance Officers Association (GFOA) recommends that Cities engage the same auditor by entering into multiyear agreements, or a series of one-year contracts, for a term of at least five (5) years. A multiyear agreement allows for greater continuity and enables a new auditor to spread initial start-up costs over multiple years, potentially reducing costs in the initial years. However, after this term, the GFOA recommends a full competitive selection process and/or rotation of auditors after each multiyear agreement, provided there is adequate competition among qualified auditors. Contracting with a new audit firm not only brings a fresh perspective, but it also reflects good practice. Where competition is limited, participation of the current auditors is acceptable, assuming their past performance has been satisfactory and conformed to industry standards. In the event the City chooses to remain with an audit firm, it is advisable to rotate the audit manager on a regular basis.

## Applicability

This policy applies to the Mayor, City Council, Chief Financial Officer, City Auditor, Budget Director, Assistant City Auditor, and Assistant Budget Director.

## Policy

The City shall have an independent outside audit performed by a certified public accountant each year. The City Council shall provide for such an audit by an accountant or a firm of accountants, who have no personal interests, direct or indirect, in the fiscal affairs of the City government or of any of its officers or employees. The City will either readvertise for auditing services every five to eight years or ensure that there is a regular rotation of audit managers within a particular firm if it elects to stay with a given audit firm.

The City will strive to have the annual audit completed by January 1 of the following year. The City is required to submit completed audits to the Division of Local Services (DLS) Director of Accounts by the time the City sets a tax rate each year.



**References**

Annual Audits, MA DOR Division of Local Services Best Practice.

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# Employee Reimbursement

## Purpose

To mitigate opportunities for waste, fraud, and abuse, the City must properly monitor and control travel costs and other reimbursements to employees. This policy establishes rules governing reimbursement to City officials and employees for necessary travel expenses incurred in performing official duties, as well as reimbursement for minor departmental purchases.

## Background

From time to time, employees incur costs and extend personal money related to the professional duties for the purposes of the City; and they should be reimbursed. The City's personnel policies and union contracts typically define which expenses are reimbursable.

## Applicability

This policy applies to all elected and appointed officials and employees.

## Policy

1. Prior to incurring costs and / or expending personal money for work-related expenditures, employees shall obtain authorization from their department head and/or the Auditing Department.
2. Employee expense reimbursements shall be made based on actual expenses incurred and not as a lump-sum annual or quarterly allocation. Such payments shall be made through an approved vendor warrant after submission of original invoices and receipts.
3. Contractual allowances and stipends are not considered expense reimbursements and shall be made only through an approved payroll warrant.
  - a. City employees may submit for reimbursement reasonable business expenses including;
  - b. Travel costs;
  - c. Business use of personal vehicle in accordance with current IRS rates and regulations;
  - d. Costs of attending conferences, reasonable business meals (provided these adhere to U.S. GSA per diem rates);
  - e. Telecommunication costs.
4. Excluded expenses shall include, but are not limited to:
  - a. Alcohol and tobacco
  - b. Personal expenses
  - c. Charitable donations
  - d. Political donations
  - e. Gifts
  - f. Expenses deemed inappropriate, extravagant and/or unnecessary



- g. Expenses that are inconsistent with generally accepted business practices and/or contrary to public purpose

Policy Number	EXP07.001
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# Payroll Policies

## Purpose

To establish policies surrounding City employees' payroll to ensure proper recording of compensation level, hours of work, time off, and any other factor affecting the employee's pay.

## Background

A major cost in the City's budget is its payroll costs. Failure to accurately implement, monitor and record payroll costs budget can lead to errors in budgeting, over or under-staffing, incorrect grading, poor control over time on-off benefits while employed, and payments upon retirement.

## Applicability

This policy applies to the Mayor, City Council, Chief Financial Officer/Budget Director, City Treasurer, Assistant Budget Director, department heads, and employees.

## Policy

The City shall maintain a personnel system that accurately tracks authorized, filled, and unfilled positions as well as their funding source. Annual budgets shall be prepared to account for all the costs necessary to cover positions that the City intends to have during that budget period.

1. The City shall ensure that new employees have had their positions and salaries approved as part of the City's annual budget.
2. The City shall ensure that all charges and changes to employee payroll are valid and approved by the Department Head, Human Resources, Auditing, and Mayor.
3. The City shall ensure that all employee terminations and retirements are valid and approved.
4. The City shall ensure that all compensated absences (unused sick leave, vacation and other paid time off) are accurately calculated.
5. The City shall not issue a payroll payment to any City employee until a valid and approved payroll warrant has been executed by the City Mayor and City Auditor and presented to the City Treasurer for payment.
6. The City shall periodically review its employee database for relevancy and accuracy.

## References

MGL Chapter 41 §§ 41, 41A to 41C and 42  
Collective Bargaining Agreements  
Employee Manual



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# Compensated Absences

## Purpose

To identify and set aside funds for a financial liability for payments due to an employee upon termination of employment or retirement.

## Background

Another unfunded liability, not frequently monitored by cities and towns, is the cost of accumulating sick leave and vacation buy-backs payable to employees upon retirement or termination of employment. These benefits are typically defined in the collective bargaining agreements and personnel policies of municipalities. This liability is required to be disclosed in the municipalities' annual financial statements as promulgated by the Governmental Accounting Standards Board, effective for fiscal years beginning after December 15, 2023.

While it is difficult to precisely forecast the expenditures to be made in any one fiscal year, a state statute can be adopted, and local practices can be established to calculate and set aside funds for this liability.

## Policy

Revere shall comply with GASB statement No.101 and may establish a Special Revenue Fund for City Employees in accordance with MGL ch.40, sec.13D and shall annually determine the number of monies to be deposited to this reserve fund

## References

*GASB Statement No. 101. Compensated Absences*

*MGL Ch. 40, Sec.13D Reserve Fund for Future Payment of Accrued Liabilities for Compensated Absences*

Policy Number	
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# Ethics & Conflict of Interest Policy

## Purpose

To confirm the City's policy and employees' responsibilities and compliance with state law .

## Background

**The Massachusetts State Ethics Commission is an independent state agency that administers and enforces the provisions of the conflict of interest law.**

The conflict of interest law, M.G.L. Ch. 268A - Conduct of Public Officials and Employees, seeks to prevent conflicts between private interests and public duties, foster integrity in public service, and promote the public's trust and confidence in that service by placing restrictions on what municipal employees may do on the job, after hours, and after leaving public service.

Anyone performing services for a city or town or holding a municipal position, whether paid or unpaid, including full- and part-time municipal employees, elected officials, volunteers, and consultants, is a municipal employee under the conflict of interest law. An employee of a private firm can also be a municipal employee, if the private firm has a contract with the city or town and the employee is a "key employee" under the contract, meaning the town has specifically contracted for her services. The law also covers private parties who engage in impermissible dealings with municipal employees, such as offering bribes or illegal gifts.

## Applicability

This policy applies to all department heads, employees, and elected and appointed officials as defined by M.G.L. Ch. 268A.

## Policy

1. The City shall maintain in its Employee Manual a section entitled *ETHICS AND CONFLICT OF INTEREST POLICY*.
2. The Human Resources department shall be responsible for maintaining, distributing and communicating this POLICY to all employees and officials.
3. Every year all employees must be provided with the summary of the conflict of interest law. Newly elected or appointed public employees should be provided with the summary within thirty (30) days of election or appointment, and on an annual basis thereafter. All public employees are required to sign a written acknowledgment that they have been provided with the summary.
4. Every two (2) years, all state, county, and municipal employees must complete a conflict of interest law online training program. Newly elected or appointed public employees must



complete this training within thirty (30) days of beginning public service, and every two (2) years thereafter.

**References**

MGL Chapter 268A, Conduct of Public Official and Employees  
City of Revere Employee Manual (revised January, 2026)

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# Cash Handling Policy

## Purpose

The purpose of this policy is to establish sound cash handling controls and practices.

## Background

One of the government's functions is to collect taxes and other revenues. The process involves many employees. It is paramount that a municipality ensures that all cash receipts are accurately deposited and recorded in a timely manner. Additionally, instituting sound cash handling practices safeguards employees from potential mishandling allegations.

## Applicability

This policy applies to all City employees.

## Policy

1. The City will endeavor to reduce the use of cash to the greatest extent possible.
2. Department heads are responsible for understanding and following all cash handling policies and procedures as well as ensuring that their staff are trained in the same.
3. All department receipts are turned over on a daily basis if over \$100; and, if less than \$100, they are turned over no later than the end of the week.
4. Committed receivables shall be recorded immediately and must be turned over to the City Treasurer daily by the end of the business day.
5. Each department is responsible for the establishment of controls to safeguard monies collected from the public and other sources until such time as these funds are turned over to the City Treasurer.
6. Cash shall be stored in a locked safe in the City Treasurer's office once it is received.
7. No expenses can legally be paid using cash on hand.

## References

Revenue Collection, Government Finance Officers Association Best Practice.



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# Appendices



**Title 3**

**REVENUE AND FINANCE**

Chapter 3.01 <b>STABILIZATION FUND</b>		§ 3.04.090. Rules and regulations generally. § 3.04.100. through § 3.04.120. (Reserved) § 3.04.130. Disposition of surplus property. § 3.04.140. Contract approval. § 3.04.150. Purchases or contracts not expressly covered.
§ 3.01.010. The stabilization fund. § 3.01.020. Transfers to stabilization fund.		
Chapter 3.02 <b>VEHICULAR RENTAL TRANSACTION SURCHARGE</b>		Chapter 3.05 <b>CAPITAL IMPROVEMENT STABILIZATION FUND</b>
§ 3.02.020. Vehicular rental surcharge. § 3.02.030. Public safety facility capital expenditure fund. § 3.02.040. Termination of the surcharge.		§ 3.05.010. The capital improvement stabilization fund. § 3.05.020. Transfers to the capital improvement stabilization fund.
Chapter 3.03 <b>THE WATER AND SEWER ENTERPRISE FUND—STABILIZATION ACCOUNT</b>		Chapter 3.06 <b>DEPARTMENTAL REVOLVING FUNDS</b>
§ 3.03.010. The water and sewer enterprise fund—Stabilization account. § 3.03.020. Transfers to the water and sewer enterprise fund—Stabilization account.		§ 3.06.010. Purpose. § 3.06.020. Expenditure limitations. § 3.06.030. Interest. § 3.06.040. Procedures and reports. § 3.06.050. Authorized revolving funds.
Chapter 3.04 <b>PURCHASING</b>		Chapter 3.07 <b>DRAINAGE, STORMWATER, AND CULVERT STABILIZATION FUND</b>
§ 3.04.010. Requisition submittal—Purchasing orders. § 3.04.030. Splitting requisitions—Violating procedures. § 3.04.050. Availability of funds—Certification by auditor. § 3.04.060. Emergency purchases. § 3.04.070. Standards and specifications—Enforcement. § 3.04.080. Standards and specifications—Promulgation.		§ 3.07.010. The drainage, stormwater, and culvert stabilization fund. § 3.07.020. Transfers to the drainage, stormwater, and culvert stabilization fund.
		Chapter 3.08 <b>HIGH SCHOOL STABILIZATION FUND</b>
		§ 3.08.010. The high school stabilization fund.

REVERE CODE

**§ 3.08.020. Transfers to the high school stabilization fund.**

Chapter 3.09

**OTHER POST EMPLOYMENT BENEFIT (OPEB) STABILIZATION FUND**

**§ 3.09.010. The other post employment benefit stabilization fund.**

**§ 3.09.020. Transfers to the other post employment benefit stabilization fund.**

CHAPTER 3.01  
**STABILIZATION FUND**

**§ 3.01.010. The stabilization fund.**

There is hereby created, pursuant to M.G.L. c. 40, § 5B, a stabilization fund. The city treasurer shall be the custodian of such fund. The fund shall be utilized for any lawful purpose, including but not limited to any purpose for which the city may lawfully borrow money. Any appropriation or transfer of funds into or out of this stabilization fund must be approved by a two-thirds vote of the city council.

(C.O. 03-564A § 2)

**§ 3.01.020. Transfers to stabilization fund.**

- A. Within ninety days of the certification of free cash by the department of revenue, the mayor shall present to the city council, and the city council shall approve, a transfer to the stabilization fund of a sum equal to not less than fifteen percent of the total free cash amount certified by the department of revenue.
- B. Within ninety days of the receipt of any funds from the sale of city-owned property, the mayor shall present to the city council, and the city council shall approve, a transfer to the stabilization fund of a sum equal to not less than fifteen percent of the total sale price as certified by the treasurer, except that funds in the stabilization fund from this source shall be separately accounted for and utilized only for purposes allowed by M.G.L. c. 44, § 63.
- C. Within ninety days of the receipt of any proceeds from any "host community" fee or fund established pursuant to legislation providing for racinos, Class III casinos or any other expanded gaming, the mayor shall present to the city council, and the city council shall approve, a transfer to the stabilization fund of a sum equal to not less than fifty percent of such proceeds, except that funds in the stabilization fund from this source shall be separately accounted for and utilized only for capital projects for which the city is authorized by statute to incur debt for a period of five years or more.
- D. The mayor and city council may agree to make transfers from any other source to the stabilization fund, provided that any such transfers are approved by a two-thirds vote of the city council.

(C.O. 03-564A § 3; C.O. 07-377A, §§ 1, 2, 8/27/2007)

CHAPTER 3.02  
**VEHICULAR RENTAL TRANSACTION SURCHARGE**

**§ 3.02.020. Vehicular rental surcharge.**

- A. There is created, pursuant to Chapter 92 of the Acts of 2005, a vehicular rental transaction surcharge. The surcharge shall apply to each and every vehicular rental transaction that takes place or is processed within the city of Revere and is subject to the provisions of M.G.L. c. 90, Section 20E.
- B. The surcharge imposed pursuant to this section shall be ten dollars for each and every vehicular rental transaction contract in the city.
- C. In accordance with Section 2 of Chapter 92 of the Acts of 2005, each vendor engaged in vehicular rental transactions within the city of Revere shall remit to the Massachusetts Department of Revenue on a quarterly basis all surcharges imposed pursuant to this chapter.

(C.O. 05-656 § 2)

**§ 3.02.030. Public safety facility capital expenditure fund.**

There is created, pursuant to Chapter 92 of the Acts of 2005, a public safety facility capital expenditure fund. All moneys collected from the vehicular rental surcharge and remitted to the city of Revere shall be deposited in said fund. The city treasurer shall be the custodian of such fund, and moneys from the fund shall be maintained in a special account. The city treasurer may invest moneys in the fund, and any interest earned on the account shall be credited to and become part of the fund. The fund shall be utilized solely and exclusively for the purpose of paying for debt service on any loans or bonds incurred by the city for architectural, engineering, geotechnical and design services for, and the original equipping and construction for, a new public safety facility for the city of Revere.

(C.O. 05-656 § 3)

**§ 3.02.040. Termination of the surcharge.**

The surcharge shall cease to be imposed when and if the fund described in Section 3.02.030 contains sufficient amounts to fully satisfy the remaining debt service on the public safety facility.

(C.O. 05-656 § 4)

## CHAPTER 3.03

**THE WATER AND SEWER ENTERPRISE FUND—STABILIZATION ACCOUNT****§ 3.03.010. The water and sewer enterprise fund—Stabilization account.**

There is hereby created, pursuant to M.G.L. c. 40, § 5B, a water and sewer enterprise fund—stabilization account. The city treasurer shall be the custodian of such account. The account shall be utilized for any lawful purpose, including but not limited to any purpose for which the city may lawfully borrow money. Any appropriation or transfer of funds into or out of this stabilization account must be approved by a two-thirds vote of the city council.

(C.O. 10-320-A, § 1, 11/22/2010)

**§ 3.03.020. Transfers to the water and sewer enterprise fund—Stabilization account.**

- A. Within ninety days of the certification of free cash by the department of revenue within the water and sewer enterprise fund, the mayor shall present to the city council, and the city council may approve, a transfer to the water and sewer enterprise fund—stabilization account of a sum equal to not less than fifteen percent of the total free cash amount certified by the department of revenue.
- B. The mayor and city council may agree to make transfers from any other source to the water and sewer enterprise fund—stabilization account, provided that any such transfers are approved by a two-thirds vote of the city council.

(C.O. 10-320-A, § 1, 11/22/2010)

CHAPTER 3.04  
**PURCHASING**

**§ 3.04.010. Requisition submittal—Purchasing orders.**

Requisitions for the purchase of all supplies, materials or contractual services as defined in this chapter, and machinery, equipment and other personal property shall be received by the purchasing department, prior to the issuance of a purchase order for such supplies, materials, machinery, equipment or contractual services, and shall be signed by the head of the department or city official making the requisition, or the department's authorized agent.

(Prior revision § 2-65 (part); C.O. 83-52 § 32; C.O. 04-47 § 1)

**§ 3.04.030. Splitting requisitions—Violating procedures.**

It shall constitute official misconduct on the part of any public official or other employee to split or divide any requisition for supplies, materials, machinery, equipment or contractual services into two or more units for the purposes of evading the provisions of this chapter, or to violate the procedures outlined in any section of this chapter.

(Prior revision § 2-66)

**§ 3.04.050. Availability of funds—Certification by auditor.**

- A. Except in cases of special emergency involving the health or safety of the people or their property, no officer, department head, board or commission authorized to expend money shall make requisition on the purchasing agent for purchasing of supplies or materials until funds are available therefor, nor shall they enter into contract for services to be rendered the city, other than for personal services provided for in the budget or supplemental budget appropriation, without issuing a written order therefor, the order before delivery to the contractor to have certified thereon a statement from the city auditor that there is sufficient unencumbered balance of the appropriation to be charged to pay the amount due under the order. No obligation shall be incurred against appropriations until the city auditor specifies in writing the availability of an appropriation for such expenditure.
- B. Orders issued by the purchasing agent shall not be delivered to the vendors until the city auditor has certified thereon that there is sufficient unencumbered balance of the appropriation to be charged to pay the amount due under the purchase order.

(Prior revision § 2-68)

**§ 3.04.060. Emergency purchases.**

In case of actual emergency any agency may purchase directly any supplies, materials, equipment or contractual services when immediate procurement is essential to the health or the safety of the people or their property. The head of such agency shall send to the purchasing department a requisition and a copy of the delivery record together with a full written explanation of the circumstances of the emergency, which shall be filed by the purchasing department as a permanent and public record of the purchase. The city purchasing agent shall, by rules and regulations, prescribe the procedure under which such emergency purchases may be made, subject to the approval of the mayor and city council.

(Prior revision § 2-69)

**§ 3.04.070. Standards and specifications—Enforcement.**

The purchasing department shall inspect or supervise the inspection of all deliveries of supplies, materials,

equipment and contractual services to determine their conformance with the specifications set forth in the order or contract. Any department having the staff and facilities for the adequate inspection may be authorized by the city purchasing agent to inspect all deliveries made to such agency under rules and regulations which the purchasing agent shall establish. The city purchasing agent shall have authority to require chemical and physical tests of samples submitted with bids and samples of deliveries which are necessary to determine their quality and conformance with the specifications. In the performance of such tests, the city purchasing agent shall have authority to make use of laboratory facilities of any agency of the city government or any outside laboratory.

(Prior revision § 2-70)

**§ 3.04.080. Standards and specifications—Promulgation.**

- A. It shall be the duty of the purchasing agent to classify all the supplies, materials and equipment used by the various agencies of the city government, to adopt as standards the minimum number of qualities, sizes and varieties of commodities consistent with the efficient operation of the city government, and to prepare, adopt and promulgate written specifications describing such standards. The purchasing agent shall have power to make use of the laboratory and engineering facilities of the city and the technical staffs thereof in connection with its work of preparing and revising standards and written specifications. The purchasing agent shall also consult with the heads and other officials of the using agencies to determine their requirements and shall endeavor to prescribe those standards which meet the needs of the majority of such agencies.
- B. All specifications shall be definite and certain and permit of competition. After its adoption, each standard specification shall, until revised or rescinded, apply alike in terms and effect to every future purchase and contract for the commodity described in such specification.

(Prior revision § 2-71)

**§ 3.04.090. Rules and regulations generally.**

The purchasing agent, under the supervision of the mayor, shall establish, and from time to time amend, all rules and regulations authorized by this chapter and any others necessary to its operation. Such rules and regulations and amendments thereto shall be subject to the approval of the city council.

(Prior revision § 2-72)

**§ 3.04.100. through § 3.04.120. (Reserved)<sup>1</sup>**

**§ 3.04.130. Disposition of surplus property.**

The purchasing agent shall dispose of tangible personal property, no longer useful to any city department, pursuant to the procedures set forth in M.G.L. c. 30B, § 15, except that, for any such tangible personal property having an estimated net value of less than two thousand five hundred dollars, the department head and the purchasing agent shall dispose of such property by the use of sound business practices.

(C.O. 04-47 § 3 (part))

**§ 3.04.140. Contract approval.**

All contracts for the purchase of supplies, materials, machinery, equipment or contractual services shall be

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1. Editor's note: Former §§ 3.04.100 through 3.04.120, which pertained to purchases of, and contracts for, supplies, materials, machinery, equipment and contractual services were repealed 6/19/2017 by C.O. 17-145. All purchases, unless otherwise exempt, shall be subject to the public bidding and public proposal procedures set forth in M.G.L. c. 7, 30, §§ 39M, 30B, and 149.

approved as to form by the city solicitor. If the successful bidder, within ten days after receiving notice by mail that the award has been made to him, fails or refuses to enter into a contract, he or she shall forfeit any security which accompanies the bid. A copy of each contract shall be filed with the city auditor, the city clerk and the purchasing agent.

(C.O. 04-47 § 3 (part))

**§ 3.04.150. Purchases or contracts not expressly covered.**

For the purchase or disposition of any service, contract or property not expressly covered by this chapter, or for any purchasing or contracting circumstance not specifically addressed by this chapter, the purchasing agent shall apply the applicable provisions of Massachusetts General Laws, including but not limited to M.G.L. c. 30B.

(C.O. 04-47 § 3 (part))

CHAPTER 3.05  
**CAPITAL IMPROVEMENT STABILIZATION FUND**

**§ 3.05.010. The capital improvement stabilization fund.**

There is hereby created, pursuant to M.G.L. c. 40, § 5B, a capital improvement stabilization fund. The city treasurer shall be the custodian of such fund. The fund shall be utilized for any lawful purpose, including, but not limited to, any purpose for which the city may lawfully borrow money. Any appropriation or transfer of funds into or out of this stabilization fund must be approved by a two-thirds vote of the city council.

(C.O. 17-149, § 1, 6/19/2017)

**§ 3.05.020. Transfers to the capital improvement stabilization fund.**

Within 90 days of the certification of free cash by the department of revenue, the mayor shall present to the city council, and the city council shall approve, a transfer to the capital improvement stabilization fund of a sum equal to not less than 15% of the total free cash amount certified by the department of revenue.

(C.O. 17-149, § 1, 6/19/2017; C.O. 25-099, 5/12/2025)

CHAPTER 3.06  
**DEPARTMENTAL REVOLVING FUNDS<sup>2</sup>**

**§ 3.06.010. Purpose.**

As authorized by the provisions of Massachusetts General Laws chapter 44, § 53E½, this chapter establishes and authorizes revolving funds for use by city departments, or boards, committees, agencies or officers in connection with the operation of programs or activities that generate fees, charges or other receipts to support all or some of the expenses of those programs or activities.

(C.O. 18-142, § 1, 5/21/2018)

**§ 3.06.020. Expenditure limitations.**

A department head, or agency head, board, committee or officer may incur liabilities against and spend monies from a revolving fund established and authorized by this ordinance without appropriation subject to the following limitations:

- A. Fringe benefits of full-time employees whose salaries or wages are paid from the fund shall also be paid from the fund; excluding full-time or part-time school bus drivers.
- B. No liability shall be incurred in excess of the available balance of the fund.
- C. The total amount spent during a fiscal year shall not exceed the amount authorized by the city council on or before July 1 of that fiscal year, or any increased amount of that authorization that is later approved during that fiscal year by the city council and mayor.

(C.O. 18-142, § 1, 5/21/2018)

**§ 3.06.030. Interest.**

Interest earned on monies credited to a revolving fund established by this chapter shall be credited to the general fund.

(C.O. 18-142, § 1, 5/21/2018)

**§ 3.06.040. Procedures and reports.**

Except as provided in General Laws chapter 44, § 53E½ and this chapter, the laws, charter provisions, ordinances, rules, regulations, policies or procedures that govern the receipt and custody of city monies and the expenditure and payment of city funds shall apply to the use of a revolving fund established and authorized by this chapter. The city auditor shall include a statement on the collections credited to each fund, the encumbrances and expenditures charged to the fund, and the balance available for expenditure in the regular report the city auditor provides the department, board, committee, agency or officer on appropriations made for its use.

(C.O. 18-142, § 1, 5/21/2018)

**§ 3.06.050. Authorized revolving funds.**

See Appendix—Tables; Table VII.

(C.O. 18-142, § 1, 5/21/2018)

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2. Editor's note: This chapter was originally designated as Chapter 3.05 but was renumbered to avoid conflicts in the numbering.

CHAPTER 3.07

**DRAINAGE, STORMWATER, AND CULVERT STABILIZATION FUND**

**§ 3.07.010. The drainage, stormwater, and culvert stabilization fund.**

There is hereby created, pursuant to M.G.L. c. 40, and § 5B, a drainage, stormwater, and culvert stabilization fund. The city treasurer shall be the custodian of such fund. The fund shall be utilized for any lawful purpose, including but not limited to any purpose for which the city may lawfully borrow money. Any appropriation or transfer of funds into or out of this stabilization fund must be approved by a two-thirds vote of the city council.

(C.O. 24-017, § 1, 3/11/2024)

**§ 3.07.020. Transfers to the drainage, stormwater, and culvert stabilization fund.**

Within ninety days of the certification of free cash by the department of revenue, the mayor shall present to the city council, and the city council shall approve, a transfer to the drainage, stormwater, and culvert stabilization fund of a sum equal to not less than ten percent of the total free cash amount certified by the department of revenue.

(C.O. 24-017, § 1, 3/11/2024)

CHAPTER 3.08  
**HIGH SCHOOL STABILIZATION FUND**

**§ 3.08.010. The high school stabilization fund.**

There is hereby created, pursuant to M.G.L. c. 40 § 5B, a high school stabilization fund. The city treasurer shall be the custodian of such fund. The fund shall be utilized for any lawful purpose, including, but not limited to, any purpose for which the city may lawfully borrow money. Any appropriation or transfer of funds into or out of this stabilization fund must be approved by a two-thirds vote of the city council.

(C.O. 25-099, 5/12/2025)

**§ 3.08.020. Transfers to the high school stabilization fund.**

Within 90 days of the certification of free cash by the department of revenue, the mayor shall present to the city council, and the city council shall approve, a transfer to high school stabilization fund of a sum equal to not less than 10% of the total free cash amount certified by the department of revenue.

(C.O. 25-099, 5/12/2025)

## CHAPTER 3.09

**OTHER POST EMPLOYMENT BENEFIT (OPEB) STABILIZATION FUND****§ 3.09.010. The other post employment benefit stabilization fund.**

There is hereby created, pursuant to M.G.L. c. 40 § 5B, an other post employment benefit stabilization fund. The city treasurer shall be the custodian of such fund. The fund shall be utilized for any lawful purpose, including, but not limited to, any purpose for which the city may lawfully borrow money. Any appropriation or transfer of funds into or out of this stabilization fund must be approved by a two-thirds vote of the city council.

(C.O. 25-099, 5/12/2025)

**§ 3.09.020. Transfers to the other post employment benefit stabilization fund.**

Within 90 days of the certification of free cash by the department of revenue, the mayor shall present to the city council, and the city council shall approve, a transfer to the other post employment benefit stabilization fund of a sum equal to not less than 5% of the total free cash amount certified by the department of revenue.

(C.O. 25-099, 5/12/2025)



City of Revere  
City Council

City Council Order No. 25-179

Date: August 25, 2025

Offered by Revere City Council

**AN ORDINANCE FURTHER AMENDING APPENDIX A – TABLE OF FEES OF THE REVISED ORDINANCES OF THE CITY OF REVERE**

*Be it ordained by the City of Revere, MA as follows:*

**SECTION 1.** Section A.010 of the Revised Ordinances of the City of Revere is hereby amended by deleting this section in its entirety and inserting in place thereof the following new table:

<b>APPENDIX A</b>	
<b>§ A.010. Fee schedule.</b>	
This table is a reflection of the fees set by the City Clerk, City Assessor, Department of Municipal Inspections, Department of Public Works, License Commission, Fire Prevention, Traffic Commission, Treasury Department and certain Massachusetts General Laws. The fees listed in this table are not inclusive of all costs associated with City business and are subject to change. This Appendix shall be reviewed annually to reflect current practices of City departments.	
<b>Affidavit and correction of vital records.</b>	\$75
Birth certificate, death certificate, and marriage certificate.	
<b>Appeal to board of appeals under M.G.L. c. 40A.</b>	\$180
Not inclusive of other charges associated with the processing of the appeal.	
<b>Assessor's abutter's list.</b>	\$80
<b>Auctioneer's permits.</b>	
Annual permit, resident, under M.G.L. c. 100 s. 10.	\$25
Special permit, non-resident, under M.G.L. c. 100 s. 10.	\$50
Special permit, resident, under M.G.L. c. 100 s. 10.	\$25
<b>Blasting bond fee under M.G.L. c. 148 s. 19 in connection with a permit to use an explosive in the blasting of rock or other substance.</b>	\$2
<b>Building permit application fee.</b>	
For single- or two-family dwelling.	\$75
For three-family dwelling and above, and apartment buildings.	\$100
<b>Building permit fees, residential.</b>	
For renovations, additions, roofing, siding, pools, and/or accessory buildings for single- or two-family dwellings.	\$15 per \$1000
For new construction of single- or two-family dwelling.	\$15 per \$1000
For amendments to permit.	\$100
<b>Building permit fees, commercial.</b>	
<i>For renovations of three-family dwelling and above or commercial.</i>	\$20 per \$1000

For new construction of three-family and above or commercial.	\$20 per \$1000
<b>Building, certificate of occupancy fee.</b>	
Single-family dwelling, with building permit.	\$100
Two-family dwelling, with building permit.	\$150
<i>Any dwelling without a building permit.</i>	\$200
Three-family dwelling.	\$200
Dwelling containing more than three units.	\$200 + \$10/unit
Non-residential certificate of occupancy.	\$250
Certified copy of certificate of occupancy.	\$200
Temporary certificate of occupancy.	\$100/month
<b>Building, archive search fee.</b>	\$15
<b>Building, sign permit fee.</b>	\$250
<b>Building, plan review fee for single- and two-family dwellings.</b>	
Estimated Construction Value	Fee
\$10,000-\$49,999	\$75
\$50,000	\$150
\$100,000	\$250
\$150,000	\$400
\$200,000	\$500
\$250,000-\$499,999	\$600
\$500,000+	\$750
<b>Building, plan review fee for three-family dwellings and above and commercial.</b>	
Estimated Construction Value	Fee
\$20,000-\$49,999	\$200
\$50,000	\$250
\$100,000	\$300
\$150,000	\$600
\$200,000	\$1,500
\$250,000	\$2,000
\$300,000	\$2,500
\$400,000	\$3,000
\$500,000	\$3,500
\$501,000+	See Building Dept. website
<b>Building, reinspection fee.</b>	\$150
<b>Building, work started before permit obtained.</b>	Permit fee 3x
<b>Business name, fee for certificate or filing under M.G.L. c. 110 s. 5.</b>	\$40
Inclusive of notarization.	
<b>Business certificate discontinuance, withdrawal, or address change.</b>	\$15
<b>City clerk, certification and copies of documents.</b>	
Furnishing a certified copy of a birth certificate, death certificate, or marriage certificate.	\$10/copy

Furnishing a copy of a document.	\$0.05/page	
Certifying a document.	\$3/document	
<b>Civil fingerprint application fee under M.G.L. c. 6 s. 175B1/2.</b>	\$100	
<b>City clerk, closing-out sale under M.G.L. c. 93 s. 28A.</b>	\$2/page	
<b>Commissions of constables.</b>		
Residents.	\$450	
Non-residents.	\$750	
<b>Dog license fees.</b>		
Dog license fee under M.G.L. c. 140 s. 147, neutered or spayed dog.	\$10	
Dog license fee under M.G.L. c. 140 s. 147, any other dog.	\$25	
Any dog licensed after March 15th shall incur an additional late fee.	\$15	
No fee required for a dog specially trained to lead or serve a blind person if the Division of the Blind of the Commonwealth certifies that such a dog is so trained and actually in the service of a blind person.		
Dog license tag replacement.	\$5	
<b>Dumpster permit fee in accordance with RRO 8.04.011.</b>	\$75	
<b>Electrical fees.</b>		
<i>Electrical permit application fee.</i>	\$50	
New construction, renovations, or additions for a single- or two-family dwelling.	\$5 per \$1,000	
Temporary service, single- or two-family dwelling.	\$65	
Swimming pools.	\$55	
Siding, single- or two-family dwelling.	\$55	
<i>Removal of illegal apartment in single- or two-family dwelling.</i>	\$75	
<i>Reinspection fee, single- or two-family dwelling.</i>	\$55	
Demolition of structure.	\$75	
Security alarm systems.	\$75	
New construction, renovations, or additions for a three-family dwelling and above or commercial.	\$10 per \$1,000	
Temporary service, three-family dwelling and above or commercial.	\$100	
<i>Removal of illegal apartment in three-family dwelling and above or commercial.</i>	\$75	
Demolition of structure, three-family dwelling and above or commercial.	\$75	
Annual maintenance permit, three-family dwelling and above or commercial.	\$500	
<i>Reinspection fee, three-family dwelling and above or commercial.</i>	\$75	
<b>Electrical, work started before permit obtained.</b>		Permit fee 3x
<b>Fire prevention license fees.</b>		
	<b>License</b>	<b>Registration</b>
Community garage.	\$20	\$10
Garage.	\$200	\$100
Special garage.	\$400	\$200
Service station.	\$200	\$100
Self-service station.	\$400	\$200
Storage of Class A, B, and C fluids.	\$0.01/gal	\$0.005/gal

Storage of any other liquid.	\$0.01/gal	\$0.005/gal
Flammable compound.	\$0.01/lb	\$0.005/lb
Flammable solid.	\$0.01/lb	\$0.005/lb
Flammable gas.	\$0.01/ cu. ft.	\$0.005/cu. ft.
Inflammable gas.	\$0.01/cu. ft.	\$0.005/cu. ft.
Class A explosives exceeding 100 lbs.	\$300	\$150
Class A explosives not exceeding 100 lbs.	\$150	\$75
Class B explosives exceeding 100 lbs.	\$80	\$40
Class B explosives not exceeding 100 lbs.	\$40	\$20
Oil storage terminal for 1,000,000 gal. or more of Class A, B, or C liquids.	\$20,000	\$20,000
Public display of fireworks.		\$25
Use of toxic fumigants.		\$10/building
Fuel oil storage in connection with operation of power burner.		\$5 one time fee for not exceeding 1,000 gal. light fuel oil.
		\$25 for over 1,000 gal. but under 5,000 gal.
		\$50 for over 5,000 gal. to 10,000 gal.
Storage or sale of Class A or B fluids, compounds, solids, or gases as defined in Form S, Rules and Regulations of the Board of Fire Prevention Regulation, including corrosive liquids, oxidizing materials, organic peroxide, ammonium nitrate, highly toxic material or poisonous gases.		\$5 per 1,000 gal. not to exceed 10,000 gal. of fluids and solids.
		\$3 per 1,000 gal. over the 10,000 gal. of fluids and solids.
		\$5 per 100 cu. ft. not to exceed 1,000 cu. ft. of gases.
		\$3 per 1,000 cu. ft. not to exceed 500,00 cu. ft. of gases.
Open fire used in connection with the operation of a tar kettle.		\$5
Use and handling of explosives in connection with construction operations.		\$25/blast
Tank-truck inspections, No. 2 oil, gasoline and diesel fuel, etc.		\$5
Building plans examinations.		\$10, not to exceed 10 pages. \$1/additional page
Inspection of installation of new tanks.		\$10
Removal or relocation of tanks.		\$10
Sprinkler system and standpipe (shut down).		\$10

Alarm installation in business (inspection).	\$10
Hospitals, nursing homes, hotels and inns; inspections done quarterly.	\$10
Ammunition, permit to store.	\$25
Welding and cutting operations	\$5
L.P.G. installation inspection	\$5
Individual homeowner's storage of ammunition	\$10
Rocket permit	\$5
Repairs to oil burners	\$5
<b>Gas fees.</b>	
Gas permit application fee.	\$50
Each gas fixture.	\$5
Gas water heater application fee.	\$25
Gas water heater permit.	\$50
Gas-fired boiler application fee.	\$50
Gas-fired boiler permit.	\$100
Gas resinspection fee.	\$50
<b>Gas, work started before permit obtained.</b>	Permit fee 3x
<i>Hawker's and peddler's license.</i>	\$52
<i>Industrial furnace or stationary steam engine license under M.G.L. c. 140 s. 115.</i>	\$25
<b>Inspectional services fees.</b>	
Retail food license fee, up to 1,000 sq. ft.	\$100
Retail food license fee, from 1,001 sq. ft. to 7,500 sq. ft.	\$200
Retail food license fee, 7,501 sq. ft. or more.	\$400
Food service license fee, up to 50 seats.	\$150
Food service license fee, 51 seats or more.	\$350
Food service, temporary license.	\$75/day
Food service, medical (i.e. nursing home, hospital).	\$300
Milk.	\$40
Ice cream and frozen dessert manufacturing.	\$40
Wholesale bakery license fee.	\$150
Caterer license fee.	\$200
Tobacco sales license fee.	\$200
Tanning bed establishment license fee.	\$150
Commercial pool license fee, outdoor.	\$150
Commercial pool license fee, indoor.	\$200
Commercial pool license fee, hot tub.	\$150
Pool resinspection fee.	1st resinspection free \$50 subsequent resinspection
Certificate of fitness.	\$75
Certificate of fitness, resinspection fee.	1st resinspection free

	\$50 subsequent reinspection
<b>License commission license fees.</b>	
Common victualler, entertainment, secondhand dealer, pawnbroker, hotel, motel, inn, sales of gold/silver/precious metals/jewelry.	\$100
Lodging house, fortune teller.	\$50
Flea market.	\$300
Parking lot, commuter.	\$100/space
Parking lot, park & fly or commercial storage.	\$200/space
Automatic amusement device.	\$100/device
Pool table.	\$75 first table, \$50 each additional table
<b>License commission fees, liquor, off-premise.</b>	
All-alcohol (includes \$100 Sunday Sales Permit fee).	\$2,100
Malt/wine (includes \$100 Sunday Sales Permit fee).	\$1,600
<b>License commission fees, liquor, on-premise.</b>	
Includes common victualler and entertainment licenses.	
All-alcohol, restaurant, innholder, general on-premise, 2 a.m.	\$3,000
All-alcohol, restaurant, innholder, general on-premise, before 1 a.m.	\$2,800
All-alcohol, club, 2 a.m.	\$1,500
All-alcohol, club, before 1 a.m.	\$1,300
All-alcohol, veteran's club.	\$500
Malt/wine, malt/wine/cordials, restaurant, 2 a.m.	\$2,100
Malt/wine, malt/wine/cordials, restaurant, before 1 a.m.	\$1,900
<b>License commission, administrative fees.</b>	
Filing fee, liquor.	\$225
Filing fee, general.	\$125
Late fee for renewal.	\$50/month
ABCC fee (subject to change)	\$200
Local newspaper advertising fee (subject to change)	\$30
<b>Marriage license fee.</b>	\$50
<b>Parking meter fees.</b>	See RRO Title 10.
<b>Parking, resident fees.</b>	See RRO Title 10.
<b>Pasteurizing plant inspection under M.G.L. c. 94 s. 48A.</b>	\$40
<b>Plumbing fees.</b>	
Plumbing permit application fee.	\$50
Each plumbing fixture, residential.	\$5
Each plumbing fixture, commercial.	\$10
Water heater electric, plumbing application only.	\$75
Water heater gas, plumbing application only.	\$100
Oil fired furnace, plumbing application only.	\$100
Gas fired furnace, plumbing application only.	\$150
Plumbing reinspection fee.	\$50
Plumbing, work started before permit obtained.	Permit fee 3x

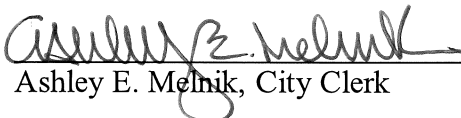
<b>Public records, furnishing copies under M.G.L. c. 66 s. 10.</b>	Charged at the hourly rate of the lowest paid employee capable of performing the search. No charge for first 2 hours of search.
<b>Raffle or bazaar permit fee under M.G.L. c. 271 s. 7A.</b>	\$50
<b>Shellfish permit fee, Revere and Saugus resident.</b>	\$150
<b>Shellfish permit fee, non-resident.</b>	\$300
<b>Shellfish shucking fee.</b>	\$50
<b>Street or sidewalk opening permit application fee under RRO Section 12.04.080.</b>	\$500
<b>Transient vendor license fee under M.G.L. c. 101 s. 5.</b>	\$500
<b>Treasury fees.</b>	
Demand fee, real estate, personal property, water and sewer, or excise.	\$15 per demand
Final water meter reading fee.	\$50
Municipal lien certificate fee, vacant land, single-, two-, or three-family dwelling.	\$50
Municipal lien certificate fee, residential dwelling with four or more units.	\$100
Municipal lien certificate fee, commercial, industrial, or public utility structure.	\$150
Municipal lien certificate or final water meter read, expedited service (48 hours)	\$25
<b>Water service fees.</b>	
Shutting off or turning on City water between 7am-3pm Monday-Friday.	No fee
Shutting off or turning on City water between 3:01pm-6:59am Monday-Friday.	\$100
Shutting off or turning on City water anytime Saturday, Sunday, or holiday.	\$100
Annual permit fee for reduced pressure backflow preventor or double check valve assembly.	\$75/device
Semiannual certified inspection fee for reduced pressure backflow preventer or double check valve assembly.	\$100/inspection, 2 required per year
Fee for using city hydrant to obtain water.	\$10 plus the cost of the water as based on usage from temporary water meter from DPW
Refundable deposit fee for use of temporary water meter.	\$4,000
Water meter or meter reading device removal by City employee and return to DPW.	Refundable deposit of \$200
<b>Weights and measures fees.</b>	
Service fee for scale with capacity over 10,000 lbs.	\$200

Service fee for scale with capacity between 5,000 lbs-10,000 lbs.	\$150
Service fee for scale with capacity between 1,000 lb-5,000 lbs.	\$100
Service fee for scale with capacity between 100 lbs-1,000 lbs.	\$60
Service fee for scale with capacity between 10 lbs-100 lbs.	\$35
Service fee for scale with capacity under 10 lbs.	\$25
Service fee for vehicle tank, pump.	\$75
Service fee for gasoline.	\$35
Service fee for bulk storage, liquid.	\$200
Service fee for taximeter.	\$35
Service fee for scanning devices, 1-3 devices.	\$100
Service fee for scanning devices, 4-11 devices.	\$200
Service fee for scanning devices, 12+ devices.	\$300
<b>Wood alcohol handling license under M.G.L. c. 94 s. 303B.</b>	\$5
<b>Zoning amendment application filing fee under M.G.L. c. 40A s. 5.</b>	\$180
<b>Zoning special permit application filing fee under M.G.L. c. 40A.</b>	\$400
Not inclusive of costs of hearing.	

July 28, 2025                      Ordered to a first reading.  
 August 25, 2025                    Ordered on a second reading, as amended.  
 August 25, 2025                    Ordered on a third and final reading, as amended.  
 August 25, 2025                    Ordered Engrossed & Ordained, as amended, on a Roll Call.

In City Council August 25, 2025. ORDERED ENGROSSED & ORDAINED on a Roll Call: Councillors Argenzio, Cogliandro, Giannino, Guarino-Sawaya, Haas, Jaramillo, Kelley, McKenna, Novoselsky, Zambuto, and Council President Silvestri voting "YES". Attest: Ashley E. Melnik, City Clerk

Approved by:   
 \_\_\_\_\_  
 Mayor Patrick M. Keefe, Jr.

Attest:   
 \_\_\_\_\_  
 Ashley E. Melnik, City Clerk

9/2/2025  
 \_\_\_\_\_  
 Date

## Glossary of Terms

**Abatement** - A complete or partial cancellation of a tax levy imposed by a governmental unit. Administered by the local board of assessors.

**Accounting Period** - A period at the end of which, and for which, financial statements are prepared. Also known as a fiscal period.

**Accounting System** - A system of financial record keeping that record, classifies and report information on the financial status and operation of an organization.

**Accrual** –A method of accounting that recognizes revenues when earned and expenses when incurred, regardless of when cash is received or disbursed.

**Activity** - A specific and distinguishable line of work performed by one or more organization components of a governmental unit for the purpose of accomplishing a function for which the governmental unit is responsible.

**Adopted Budget** - The resulting budget that has been approved by the City Council.

**Allocation** - The distribution of available monies, personnel, buildings, and equipment among various City departments, division, or cost centers.

**American Rescue Plan Act (ARPA)** – The American Rescue Plan Act of 2021 is an economic stimulus bill which provided relief funds to state, local and tribal governments that were negatively impacted by the coronavirus pandemic.

**Amortization** – An accounting technique used to periodically lower the book value of a loan or an intangible asset over a set period.

**Annual Budget** - An estimate of expenditures for specific purposes during the fiscal year (July 1-June 30) and the proposed means (estimated revenues) for financing those activities.

**Appropriation** - An authorization granted by the City Council to incur liabilities for purposes specified in the appropriation act.

**Arbitrage** - Investing funds borrowed at a lower interest cost in investments providing a higher rate of return.

**Assessed Valuation** - A valuation set upon real or personal property by the local board of assessors as a basis for levying taxes.



**Audit** - An examination of documents, records, reports, system of internal control, accounting, and financial procedures to ensure that financial records are fairly presented and in compliance with all legal requirements for handling of public funds, including state and federal laws and the City charter.

**Balanced Budget** - A budget in which receipts are greater than (or equal to) expenditures. A requirement for all Massachusetts cities and towns.

**Bond Anticipation Notes (BAN)** - Notes issued in anticipation of later issuance of bonds, usually payable from the proceeds of the sale of the bonds or renewal notes.

**Budget** - A plan of financial operation embodying an estimate of proposed expenditures for a given period and the proposed means of financing them. The term usually indicates a financial plan for a single fiscal year.

**Budget Calendar** - A schedule of certain steps to be followed in the budgeting process and the dates by which each step must be complete.

**Budget Document** - The instrument used by the Mayor to present a comprehensive financial program to the appropriating body.

**Budget Message** - A general discussion of the submitted budget presented in writing by the Mayor to the legislative body as part of the budget document.

**Capital Budget** - A plan of proposed outlays for acquiring long-term assets and the means of financing those acquisitions during the current fiscal period.

**Capital Expenditure** – Money spent on acquiring or maintaining fixed assets, such as land, buildings, and equipment.

**Capital Improvement Program (CIP)** - A plan for capital expenditure to be incurred each year over a fixed period of years to meet capital needs arising from the long-term work program. It sets forth each project and specifies the full resources estimated to be available to finance the projected expenditures.

**Charges for Service** - (Also called User Charges or Fees) The charges levied on the users of particular goods or services provided by local government requiring individuals to pay for the private benefits they receive. Such charges reduce the reliance on property tax funding.

**Cherry Sheet** - A form showing all state and county charges and reimbursements to the City as certified by the state director of accounts. Years ago, this document was printed on cherry colored paper, hence



the name. A copy of this manual can be found at the following on- line address:  
<http://www.mass.gov/Ador/docs/dls/cherry/CSManual.pdf>.

Community Preservation Act (CPA) - The CPA allows communities to create a local Community Preservation Fund to raise money through a surcharge of up to 3% of the real estate tax levy on real property for open space protections, historic preservation, and the provision of affordable housing. The act also creates a significant state matching fund, which serves as an incentive to communities to pass the CPA.

Consent Decree: A consent decree is an agreement or settlement to resolve a dispute between two parties without admission of guilt. The plaintiff and the defendant ask the court to enter into their agreement, and the court maintains supervision over the implementation of the decree in monetary exchanges or restructured interactions between parties.

Cost Center - The lowest hierarchical level of allocating monies. Often referred to as a program, project, or operation.

Debt Limits - The general debt limit of a City consists of normal debt limit, which is 2 ½ percent of the valuation of taxable property and a double debt limit which is 5 % of that valuation. Cities and towns may authorize debt up to the normal limit without state approval. It should be noted that there are certain categories of debt which are exempt from these limits.

Debt Service - Payment of interest and repayment of principal to holders of government debt instruments.  
Deficit or Budget Deficit - The excess of budget expenditures over receipts. City and State laws require a balanced budget.

Department - A principal, functional and administrative entity created by statute and the Mayor to carry out specified public services.

Encumbrance - An account used to record the estimated amount of purchase orders, contract, or salary commitments chargeable to an appropriation. The account is credited when goods or services are received, and the actual expenditure of the appropriation is known.  
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Enterprise Fund - A fund established to account for operations that are financed and operated in a manner similar to private business enterprises. The intent is that the full costs of providing the goods or services be financed primarily through charges and fees thus removing the expenses from the tax rate. Governmentally owned utilities and hospitals are ordinarily accounted for by enterprise funds.

Equalized Value (EQV) – The full and fair cash value of property within a municipality. See MGL - Ch 58 Section 10C for a full description.



Exemptions - A statutory reduction in the assessed valuation of taxable property accorded to certain taxpayers, such as senior citizens, widows, and war veterans.

Expenditures - The amount of money, cash, or checks, actually paid or obligated for payment from the treasury when liabilities are incurred pursuant to authority given in an appropriation.

Federal Emergency Management Agency (FEMA) – A federal agency whose primary purpose is to coordinate the response to a disaster that has occurred in the United States and that overwhelms the resources of local and state authorities.

Fiduciary - A person or organization who holds a legal or ethical relationship of trust with one or more other parties.

Financial Accountability - The obligation of government to justify the raising of public resources and for what those resources were expended.

Financial Condition - The probability that a government will meet its financial obligations as they become due and its service obligations to constituencies, both currently and in the future.

Financing Plan - The estimate of revenues and their sources that will pay for the service programs outlined in the annual budget.

Fiscal Period - Any period at the end of which a governmental unit determines its financial position and the results of its operations.

Fiscal Year - The 12-month financial period used by all Massachusetts municipalities which begins July 1st and ends June 30th of the following calendar year. The year is represented by the date on which it ends. Example: July 1, 2022 to June 30, 2023 would be FY 23.

Fixed Asset - Assets of a long-term character that are intended to continue to be held or used, such as land, buildings, machinery, furniture, and other equipment.

Full and Fair Market Valuation - The requirement, by State Law, that all real and personal property be assessed at 100% of market value for taxation purposes. "Proposition 2 ½" laws set the City's tax levy limit at 2 ½ % of the full market (assessed) value of all taxable property.

Fund - A fiscal and accounting entity with a self-balancing set of accounts recording cash and other financial resources, together with all related liabilities, and residual equities or balances, and changes therein, which are segregated for the purpose of carrying on specific activities or attaining certain objectives in accordance with special regulations, restrictions, or limitations.



Fund Balance -The portion of Fund Equity available for appropriation.

Fund Equity -The excess of fund assets and resources over fund liabilities. A portion of the equity of a governmental fund may be reserved or designated; the remainder is referred to as Fund Balance.

General Fund - A fund used to account for all transactions of a governmental unit that are not accounted for in another fund. The General Fund is used to account for the ordinary operations of a governmental unit that are financed from taxes and other general revenues.

Generally Accepted Accounting Principles (GAAP) – A common set of accounting rules, standards, and procedures issued by the Financial Accounting Standards Board (FASB). These detailed accounting guidelines and standards are meant to ensure clear and consistent reporting of financial information.

Government Accounting Standards Board (GASB) - The Governmental Accounting Standards Board (GASB) was organized in 1984 as an operating entity of the Financial Accounting Foundation (FAF) to establish standards of financial accounting and reporting for state and local governmental entities. Its standards guide the preparation of external financial reports of those entities. The Foundation's Trustees are responsible for selecting the members of the GASB and its Advisory Council, funding their activities and exercising general oversight-with the exception of the GASB resolution of technical issues. The GASB function is important because external financial reporting can demonstrate financial accountability to the public and is the basis for investment, credit, and many legislative and regulatory decisions. The mission of the Governmental Accounting Standards Board is to establish and improve standards of state and local governmental accounting and financial reporting that will result in useful information for users of financial reports and guide and educate the public, including issuers, auditors, and users of those financial reports. More information, including all statements, can be found at [www.gasb.org](http://www.gasb.org).

Government Finance Officers Association (GFOA) – Represents public finance officials throughout the United States and Canada. The GFOA's mission is to enhance and promote the professional management of governments for the public benefit by identifying and developing financial policies and practices and promoting them through education, training, and leadership.

Governmental Funds – Revenues and expenditures should be recognized on a modified accrual basis. Revenues should be recognized in the account period in which they become available and measurable. Expenditures should be recognized in the accounting period in which the fund liability is incurred, if measurable, except for un-matured interest on general long-term debt, which should be recognized when due.

Grant - A contribution of assets by one governmental unit to another unit. Typically, these contributions are made to local governments from the state and federal government. The contribution is usually made to aid in the support of a specified function (for example, education), but it is sometimes also for general purposes, or for the acquisition or construction of fixed assets. Inter-fund Transactions - Payments from



one administrative budget fund to another or from one trust fund to another, which result in the recording of a receipt and an expenditure.

Intra-fund Transactions - Financial transactions between activities within the same fund. An example would be a budget transfer.

Levy - The amount of taxes, special assessments, or service charges imposed by a governmental unit.

Levy Ceiling - The limit imposed by Proposition 2 ½ that equals 2 ½ % of the total full and fair cash value of all taxable property.

Levy Limit - The amount that a municipality may raise in taxes each year which is based on the prior year's limit plus 2 ½ % increase on that amount plus the amount certified by the State that results from "new growth".

License and Permit Fees - The charges related to regulatory activities and privileges granted by the government in connection with regulations.

Line-item Budget - A format of budgeting which organizes costs by object of expenditure such as supplies, equipment, maintenance, or salaries.

Major Funds - There are two types of major governmental funds – General Funds and Enterprise Funds. These funds are voted as part of the annual city budget. The General Fund is the major operating fund of municipal governments, and it accounts for most municipal operations. The General Fund is supported by revenues from real estate and personal property taxes, state and federal aid, excise taxes, investment income, fines and forfeitures, and fees and charges. Most of the municipal departments, including the schools, are supported in whole or in part by the General Fund. Enterprise funds are used to account for operations (a) that are financed and operated in a manner similar to private business enterprises – where the intent of the governing body is that the costs (expenses, including depreciation) of providing goods or services to the general public on a continuing basis be financed or recovered primarily through user charges; or (b) where the governing body has decided the periodic determination of revenues earned, expenses incurred, and/or net income is appropriate for capital maintenance, public policy, management control, accountability or other purposes.

Massachusetts Bay Transportation Authority (MBTA) - The Massachusetts Bay Transportation Authority is the state authority responsible for all aspects of transportation throughout the Commonwealth of Massachusetts. A description of the assessment charged to municipalities can be found in the cherry sheet manual located on-line at <http://www.mass.gov/Ador/docs/dls/cherry/CSManual.pdf>

Massachusetts Department of Revenue (DOR) - The mission of the Massachusetts Department of Revenue is to achieve maximum compliance with the tax, child support, and municipal finance laws of the



Commonwealth. In meeting its mission, the Department is dedicated to enforcing these laws in a fair, impartial, and consistent manner by providing professional and courteous service to all its customers.

Massachusetts General Law (MGL) - The General Laws governing the Commonwealth of Massachusetts. These laws can be found at: <http://www.mass.gov/legis/>

Massachusetts Public Employee Retirement Administration Commission (PERAC) - (PERAC) was created for and is dedicated to the oversight, guidance, monitoring, and regulation of the Massachusetts public pension systems.

Massachusetts School Building Authority (MSBA) - The MSBA is the state authority that oversees all school building projects and funding. The web site is [www.mass.gov/msba](http://www.mass.gov/msba)

Massachusetts Water Resources Authority (MWRA) - A public authority in the Commonwealth of Massachusetts that provides wholesale drinking water and sewage services to certain municipalities and industrial users in the state, primarily in the Boston area.

Modified Accrual Basis - Under the modified accrual basis of accounting, required for use by governmental funds, revenues are recognized in the period in which they become available and measurable, and expenditures are recognized at the time a liability is incurred pursuant to appropriation authority.

New Growth - The additional tax revenue generated by new construction, renovations, and other increases in the property tax base during a calendar year.

Non-expendable Trust Fund - A fund, the principal, and sometimes also the earnings, of which may not be expended.

Non-Tax Revenue - All revenue coming from non-tax sources including licenses and permits, intergovernmental revenue, charges for service, fines and forfeits and various other miscellaneous revenue.

Other Financing Sources (OFS) - An Operating statement classification in which financial inflows other than revenues are reported, for example, proceeds of long-term debt and operating transfers-in.

Other Financing Uses (OFU) - An Operating statement classification in which financial outflows other than expenditures are reported, for example, operating transfers-out.

Operating Budget - A budget that applies to all outlays other than capital outlays.

Overlay - The amount raised by the assessors in excess of appropriation and other charges for the purpose of creating a fund to cover abatements and exemptions.



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. Overlay surplus may be appropriated for any lawful purpose.

Payment in Lieu of Taxes (PILOT) - Money received from exempt (non-profit) organizations who are otherwise not obligated to pay property taxes. Federal, state, municipal facilities, hospitals, churches, and colleges are examples of tax-exempt properties.

Performance Indicator - Variables measuring the degree of goal and objective fulfillment achieved by programs.

Performance Standard - A statement of the conditions that will exist when a job is well done.

Policy - A definite course of action adopted after a review of information and directed at the realization of goals.

Priority - A value that ranks goals and objectives in order of importance relative to one another.

Procedure - A method used in carrying out a policy or plan of action.

Program - Collections of work-related activities initiated to accomplish a desired end.

Program Budget - A budget format which organizes expenditures and revenues around the type of activity or service provided and specifies the extent or scope of service to be provided, stated whenever possible in precise units of measure.

Proposition 2 ½ - A law which became effective on December 4, 1980. The two main components of the tax law relating to property taxes are: 1) the tax levy cannot exceed 2 ½ % of the full and fair cash value, and 2) for cities and towns at or below the above limit, the tax levy cannot exceed the maximum tax levy allowed for the prior by more than 2 ½ % (except in cases of property added to the tax rolls and for valuation increases of at least 50% other than as part of a general revaluation).

Purchase Order - A document issued to authorize a vendor or vendors to deliver specified merchandise or render a specified service for a stated estimated price. Outstanding purchase orders are called encumbrances.

Rating Agencies - This term usually refers to Moody's Investors Service and Standard and Poor's Corporation. These services are the two major agencies which issue credit ratings on municipal bonds.



Registered Bonds - Bonds that are registered on the books of the issuer as to ownership; the transfer of ownership must also be recorded on the books of the issuer. Recent changes in federal tax laws mandate that all municipal bonds be registered if their tax-exempt status is to be retained.

Registry of Motor Vehicles (RMV) - The Registry of Motor Vehicles in Massachusetts is responsible for all aspects of motor vehicles including but not limited to registration, sales tax, and licensing.

Request for Proposal (RFP) - RFP is a solicitation made, often through a bidding process, by an agency or company interested in procurement of a commodity, service, or valuable asset, to potential suppliers to submit business proposals.

Reserves - An account used to indicate that portion of fund equity which is legally restricted for a specific purpose or not available for appropriation and subsequent spending.

Reserve for Contingencies - A budgetary reserve set aside for emergencies or unforeseen expenditures not otherwise budgeted for.

Retained Earnings - The accumulated earnings of an Enterprise or Internal Service Fund that have been retained in the fund and are not reserved for any specific purpose.

Revenue - Additions to the City's financial assets (such as taxes and grants) other than from inter-fund transfers and debt issue proceeds.

Revolving Fund - A fund established to finance a continuing cycle of operations in which receipts are available for expenditure without further action by the City Council.

Sanitary Sewer Overflows (SSOs) – Sanitary Sewer Overflows are releases of untreated sewage into the environment and have always been illegal under the Clean Water Act.

Service Level - The extent or scope of the City's service to be provided in a given budget year. Whenever possible, service levels should be stated in precise units of measure.

Special Revenue Fund (SRF) - A fund used to account for revenues from specific revenue sources that by law are designed to finance particular functions or activities of government.

Submitted Budget - The proposed budget that has been approved by the Mayor and forwarded to the City Council for their approval. The City Council must act upon the submitted budget within prescribed guidelines and limitations according to statute and the City Charter.

Supplemental Appropriations - Appropriations requested by the Mayor and approved by the City Council after an initial appropriation to cover expenditures beyond original estimates.



Tax Anticipation Notes (TAN) - Notes issued in anticipation of collection of taxes, usually retired only from tax collections, and only from the proceeds of the tax levy whose collection they anticipate.

Tax Levy - The amount of taxes, special assessments, or service charges imposed by a governmental unit.

Tax Rate - The amount of tax stated in terms of a unit of the tax base. Prior to a 1978 amendment to the Massachusetts Constitution, a single tax rate applied to all of the taxable real and personal property in a City or town. The 1978 amendment allowed the legislature to create three classes of taxable property: 1) residential real property, 2) open space land, and 3) all other (commercial, industrial, and personal property). Within limits, cities and towns are given the option of determining the share of the levy to be borne by the different classes of property. The share borne by residential real property must be at least 65% of the full rate. The share of commercial, industrial, and personal property must not exceed 150% of the full rate. Property may not be classified until the State Department of Revenue has certified that all property has been assessed at its full value.

Unit Cost - A term used in cost accounting to denote the cost of producing a unit of product or rendering a unit of service, for example, the cost of treating and purifying a thousand gallons of sewage.

Valuation (100%) - Requirement that the assessed valuation must be the same as the market value for all properties.

Warrant - An order drawn by a municipal officer directing the treasurer of the municipality to pay a specified amount to the bearer, either after the current or some future date.

Warrant Payable - The amount of warrants outstanding and unpaid.

