

## **CAPITAL AND NON-RECURRING EXPENDITURES FUND**

### **CREATION OF FUND:**

Upon the recommendation of the Board of Finance and in keeping with the Town Charter a reserve fund for capital and non-recurring expenditures, to be called the "Capital and Non-recurring Expenditures Fund" (C&NEF) or, the "Fund" shall be established.

### **ESTABLISHMENT OF FUND:**

Once established, and upon the recommendation of the Board of Finance and approval by the Town's legislative body either through the budgetary process or apart therefrom, there shall be paid into such Fund (a) amounts authorized, from time to time, from the unappropriated fund balance; and/or, (b) amounts raised by the laying on of a tax in accordance with Chapter VII, Section 706 of the Charter of the Town of North Haven, Connecticut and Section 7-361 of the Connecticut General Statutes, as amended; such Tax to be levied and collected in the same manner and at the same time as the regular annual taxes of the Town of North Haven. All funds so appropriated shall be maintained in a separate account category by the Finance Office.

### **REPORTS:**

The Finance Office shall submit a complete and detailed report of the activity of such Fund to the Board of Finance as a part of the annual audit of the Town of North Haven. Interim reports will be issued by the Finance Office on a semi-annual basis.

### **CAPITAL IMPROVEMENT PLAN (CIP)**

In keeping with the provisions of PA 87-584 the Town shall include a five (5) year CIP in its Annual Budget for planning purposes. Items to be authorized from the C&NEF must be included in the CIP and specifically designated for funding.

### **USE OF FUND:**

The Fund, or any part thereof, shall be restricted to the purchase of and/or financing of all or part of the planning, construction, reconstruction or acquisition of specific capital items or projects which include, but are not limited to: (a) specific capital equipment with a useful life of five years or more; (b) computer hardware/software with a minimum useful life of five years or more; (c) infrastructure maintenance and repair; (d) renovation or enlargement of solid waste/recycling projects or facilities; (e) improvements to public parks (f) improvements to emergency communications systems; (g) floodplain management and hazard mitigation activities; (h) public building renovation, repair, code compliance, energy conservation and fire safety. "Capital and Non-recurring" shall mean only capital expenditures, but not ordinary repairs, operation and maintenance of an ongoing nature, which should be included elsewhere in the annual operating budget. Upon approval of any specific expenditure an account shall be set up within the Fund, plainly designated for the project or acquisition for which monies have been authorized and the full amount shall be encumbered, such appropriation may be continued until such project or acquisition is completed or the approved sum exhausted. Any unexpended portion of an appropriation remaining after completion of the project shall revert to the Fund. At no time shall sums be transferred out of the Fund and into other projects or other accounts without specific authorization of the Board of Finance.

### **AMOUNT OF FUND NOT TO EXCEED:**

No aggregate annual payment shall be made to the Fund in excess of the then current value of two (2) mills calculated on the basis of the net net grand list for the year immediately preceding the fiscal year in which the payment(s) is/are to be made.

### **DISCONTINUANCE OF RESERVE FUND:**

Said Fund may be discontinued upon the recommendation by the Board of Finance and the approval of the Town's legislative body. Any balance remaining in the Fund at the time of its dissolution shall revert to the unappropriated fund balance.