

2/27/20

FEBRUARY 1, 2020
FIN COM GUIDING PRINCIPLES
For FY21 BUDGET YEAR

1. Reduce free cash by \$300,000 dollars per year until usage is zero
Upon completion of step 1, no more than 1% of budget can be used from free cash. Balance to be used for Articles or Stabilization.
2. No one-time Revenues will be used to balance the budget except Overlay Transfers.
3. Will increase Snow Budget annually by \$25,000 until balance reaches \$400,000 – current balance is \$325,000 for FY 21.
4. We will try to fund snow budget overages from current year anticipated savings from expenditures (i.e. turnbacks).
5. Cuts to budget will be based on 64% School and 36% Town. Any additional revenue will be added back in the same proportion.
6. We well strive to fund any/all stabilization funds with funding sources from FY212 or FY20, if the opportunity presents itself.

OPTIONS: NEW SOURCES OF REVENUE FOR CAPITAL PROJECTS

OPTION #1: CERTIFIED TURNBACKS

The one time Turnbacks typically received in January will be used for Capital Projects.

Example:

- Down payment on new bond
- Closing out existing bond

OPTION #2: MONEY OFF THE TOP - LEVY

Estimated New Growth e.g. \$800K available for Capital Projects and/or Stabilization.

Example:

- New Growth projection \$800K reduced from Prop 2.5 Levy
- Operating Budget started at 2.5% increase (New Growth and Free Cash not available)
- \$300K for New Unfunded Mandate/OPEB account (Reserve or Stabilization etc.)
- \$450K for Sewer Project
- \$50K for Tax Cut or Department Budget if necessary

General Budget Timeline
Fiscal Year Calendar

JULY

- Begin new Fiscal Year
- Close books from Prior year

SEPTEMBER

- Begin high level discussion of upcoming year priorities
- Review five-year financial forecast

OCTOBER - DECEMBER

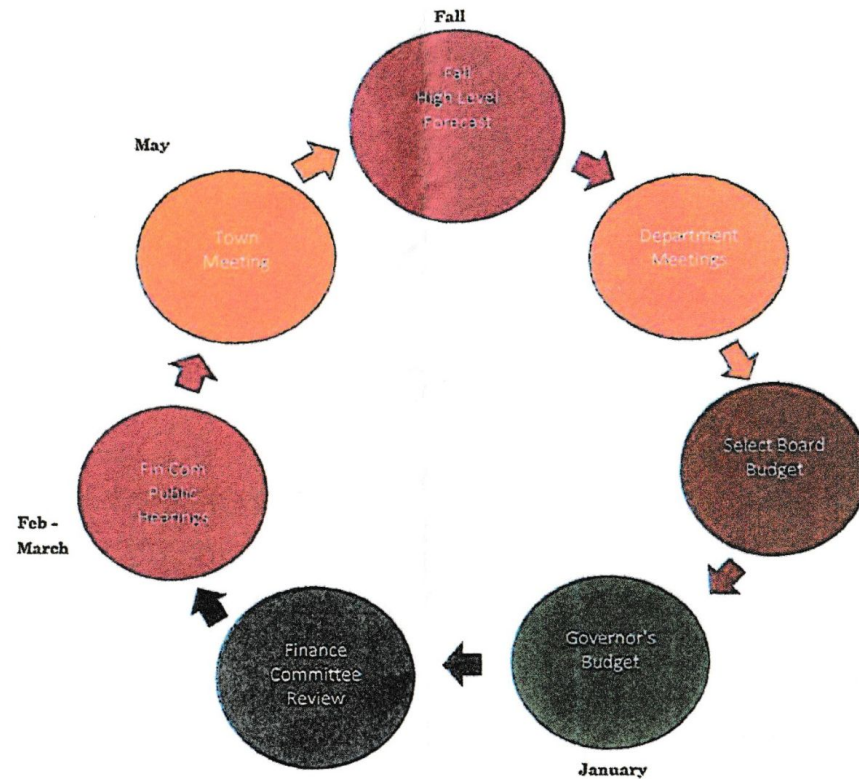
- Audit of the Prior Year
- State reporting requirements - Departments of Revenue, Education
- Free cash certified
- Set Tax Rate

Begin budget process:

- Budget guidelines to departments
~ Work with your Finance Director or other team
- Budget meetings with departments
- Operating budget development

JANUARY - JUNE

- Budget hearings - Finance Committee & Select Board
~ Whatever your community requires
- Update of Revenue and expense projections
- State aid, health insurance, any outside assessments
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- Town meeting Approval



It's Always Budget Time !