

Financial Policies Status Update – February, 2014

	Target	Actual	Comments	Target Status	Comparison to Previous Year
B. 2. Operating Reserve Fund – shall be 1% of total general fund operating budget, net of debt service. Per new policy.	\$312,932 .5%	FY14 Budget \$400,000	Above target.	✓	New Target
B. 3. Free Cash – shall maintain at 4% of general fund operating budget, net of debt service.	\$2,503,463 4%	\$3,806,582 5.8%	Actual is at goal. This would be <u>before</u> use of any free cash. This allows us to utilize standard free cash amount for FY15 budget and still meet target.	✓	Improved
D. 3. Reserve accounts – shall maintain at 8% of general fund operating revenues, net of debt service. Total reserve goals should be maintained at 4% in general fund and 4% in stabilization account.	Stabilization Target 4% \$2,634,656 Total 8% or \$5,269,313	Stabilization \$2,571,158 3.9% Total 9.7% or \$6,377,740	Stabilization approximately \$63K short of target. Total is over target. This would be <u>before</u> use of free cash. Allow standard use of free cash-at target.	✓	Much Improved
D.4 Annual OPEB appropriation – the Town will appropriate no less than \$550,000 per year to the OPEB Liability Trust Fund.	\$550,000	FY14 budget \$503,000	FY15 budget plan includes \$550,000 appropriation.	✓	Improving
E. 4. General fund nonexempt debt service should not exceed 8% of net general fund revenues.	Not exceed 8% Or \$5,269,313	\$1,716,821 2.6%	Target is met. Non exempt debt service is very low.	✓	Too Low Below Target
E. 4. Total General fund exempt and nonexempt debt should not exceed 10-12% of net general fund revenues.	Not exceed 12% Or \$7,903,970	\$5,126,338 7.8%	Target is met.	✓	Improved
F. 5. Investment in capital stock – will maintain 3% of general fund operating budget, net of debt, on ongoing capital maintenance and replacement.	\$1,877,597 3%	\$823,000 1.3%	Actual is approximately \$1M short of target. Actual at 44% of target.	Not Met	Same
G. 5. Maintain sewer retained earnings – will maintain 10% of sewer fund revenues.	\$364,645 10%	\$745,508 20%	Actual is above target.	✓	Well Above Target

Other Policies – February, 2014

Other Policies	Comments	Target Status	Comparison to Previous Year
<p>B.1. General Fund – Annual budget should be prepared covering operating expenditures with current operating revenue, not non-recurring revenue sources.</p>	<p>No Free Cash used for operating budget.</p>	✓	Same
<p>D.3. Reserves – Town will strive to make annual appropriation to the Stabilization Fund</p>	<p>\$500,000 appropriated to reserves at 2013 Annual Town Meeting from Free Cash.</p> <p>\$100,000 appropriation to reserve at 2013 Annual Town Meeting, as part of FY14 budget. Continued in FY15 budget plan.</p>	✓	Greatly Improved
<p>D.4. OPEB – Town will strive to move towards fully funding ARC.</p>	<p>\$595,231 appropriated to OPEB reserve at 2013 Annual Town Meeting, from one time revenue and ongoing FY14 budget. \$550,000 appropriation included in FY15 budget plan.</p>	✓	Greatly Improved
<p>F.2. Capital Planning – Town will develop a multi-year plan for capital improvements.</p>	<p>Produced 5-year Capital Improvement Plan document; will continue to improve document and produce on an annual basis.</p>	✓	Same