

Financial Policies Scorecard - October 2022

	Target	Actual	Comments	Target Status	Comparison to Previous Year
B. 2. Operating Reserve Fund – shall be .5% of total general fund operating budget, net of debt service. Per new policy.	\$472,980 .5%	FY23 Budget \$405,000	At approximate target. \$405,000 is a comfortable budget, but could increase to \$425K in FY24. Reserve fund only used for Snow & Ice in FY22.	✓	Continue to Meet Target
B. 4. Free Cash – shall maintain at 4% of general fund operating budget, net of debt service.	\$3,783,843 4%	\$7,772,702 7%	Actual is at goal. Full amount <u>before</u> use of any free cash. This allows us to utilize standard free cash amount for FY24 budget and still meet target. FY22 unused was \$3.4M which is on target.	✓	Stable. On track with target
D. 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% \$4,016,652 Total 8% or \$8,033,304	Stabilization 3.7% \$3,736,980 Total 11.5% or \$11,509,682	Stabilization approximately \$279K short of target. Should increase annual contribution in Total is over target. This would be <u>before</u> use of free cash. Allows for standard use of free cash, and then remain at target.	✓	Stable On Track With Target
E. Annual OPEB appropriation – the Town will appropriate no less than \$550,000 per year to the OPEB Liability Trust Fund.	Minimum \$550,000	FY23 Budget \$1,515,000	FY23 budget includes \$1,515,000 appropriation. Above minimum target and on track with required funding.	✓	Continued Improvement Minimum Target Could be Increased
F. 4. General fund nonexempt debt service should not exceed 8% of net general fund revenues.	Not exceed 8% Or \$8,033,304	3.3% \$3,339,704	Target is met. Non exempt debt service is below maximum target.	✓	Continue to Meet Target
F. 4. Total General fund exempt and nonexempt debt should not exceed 10-12% of net general fund revenues.	Not exceed 12% Or \$12,049,956	5.8% \$5,818,920	Target is met. Total debt is well below target. New School debt issued in FY22, repayment starts in FY24.	✓	Continue to Meet Target
G. 4. Investment in capital stock – will maintain 3% of general fund operating budget, net of debt, on ongoing capital maintenance and replacement.	\$2,837,882 3%	\$2,373,250 2.5%	Actual is approximately \$464K short of target. Base capital has been increased incrementally from \$823K to \$2.33M. In each of the last 5 years, there have been appropriations of an additional \$700-\$1.3M of capital <u>above</u> the base.	Close to Target	Continued Improvement and Additional Capital
I. 5. Maintain sewer retained earnings – will maintain 10% of sewer fund revenues.	\$559,700 10%	\$3,914,709 70%	Actual is well above target, due to new commercial connect fees to be used for capital maintenance of system and other reserve requirements.	✓	Well Above Target

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Other Policies	Comments	Target Status	Comparison to Previous Year
B. 1. General Fund – Annual budget should be prepared covering operating expenditures with current operating revenue, not non-recurring revenue sources.	No Free Cash used for operating budget.	✓	Target has been met consistently
D. 1. Reserves – Town will strive to make annual appropriation to the Stabilization Fund	\$125,000 appropriation to stabilization reserve at 2022 Annual Town Meeting, funded by free cash. Will continue in FY24 budget plan, should increase to \$150K. Current balance in stabilization account is \$3.7M	✓	Target has been met consistently
E. 1. OPEB – Town will strive to move towards fully funding ARC (Annual Required Contribution).	\$1,515,000 appropriated to OPEB reserve at 2022 Annual Town Meeting, within budget funds. This is currently on target with required annual payment (ARC). OPEB trust account now has a balance of \$18.3M.	✓	Greatly Improved On Target with ARC from Current Valuation
G. Capital Planning – Town will develop a multi-year plan for capital improvements.	Produced 5-year Capital Improvement Plan document; will continue to improve document and produce on an annual basis.	✓	Target Met
Introduction – Policies shall be reviewed to see if updates are needed at least every three years.	Policies shall be reviewed at minimum of every 3 years.	✓	Next review 2025