

SELECT BOARD FISCAL YEAR 2023 BUDGET POLICY DIRECTION

The Town Manager will prepare the FY23 operating budget and a three-year projection of expenses and revenue. The FY23 budget should:

- Fund all debt obligations first.
- Satisfy existing and anticipated future contractual and mandated obligations.
- Make every attempt to fund OPEB obligation as outlined in the OPEB Funding Policy.
- Maintain minimum recommended reserves at 5% of the general fund operating budget.
- Attempt to maintain services at current levels. If anticipated FY23 revenue and excess Free Cash, if any, is insufficient for that purpose, then identify options for specific expense reductions and/or new revenue sources to balance expenses with funding.
- Allocate a minimum of \$1.5M for capital expenses, from Free Cash if possible, in keeping with past practice. If less than \$1.5M is recommended for capital expenses in FY22, then the difference should be added to the capital reserve for anticipated future costs related to town facility and road needs. The target total for bond payments should fall within the range of 7-10% of the Town's operating budget.
- Identify and prioritize expenditures, capital projects, and other uses to be funded using the American Rescue Plan Act revenue.
- Any new proposed ongoing positions (funding for associated benefits included) or expenses must be accompanied by corresponding ongoing expense reductions or by new recurring revenue, so that the merits of the trade-offs may be evaluated to determine whether to move forward with the new position or expense.
- Consider Select Board and School Committee requests from Town and School Safety Task Force recommendations. Analyze possible funding to meet those requests if feasible.
- Evaluate moving to a partially self-funded health insurance plan and determine the impact on our FY22 and FY23 budget.
- In the event that the above conditions are met and available funds remain, the Town Manager will meet with department heads and the Superintendent of Schools to identify and prioritize unfilled departmental needs, other capital requirements, or other town necessities and make a recommendation to the Select Board, Finance Committee, and School Committee.