BOARD OF SELECTMEN FISCAL YEAR 2018 BUDGET POLICY DIRECTION

The Town Manager will prepare the FY18 operating budget and a three-year projection of expenses and revenue. The FY18 budget should:

- Fund all debt obligations first.
- Satisfy existing and anticipated future contractual and mandated obligations.
- Continue to fund the OPEB obligation.
- Maintain minimum recommended reserves at 5% of the operating budget.
- Attempt to maintain services at current levels. If anticipated FY18 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 $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 FY18, then the difference should be added to the capital reserve for anticipated future costs related to town facility and road needs. This amount may be reduced if needed to maintain current personnel. The target total for bond payments should fall within the range of 7-10%.
- 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 or not to move forward with the new position or expense.
- Evaluate the Health Care Stabilization Fund and determine whether any adjustments might be necessary going forward.
- 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 Board of Selectmen, Finance Committee, and School Committee.