

BOARD OF SELECTMEN FISCAL YEAR 20 BUDGET POLICY DIRECTION

The Town Manager will prepare the FY20 operating budget and a three-year projection of expenses and revenue. The FY20 budget should:

- Fund all debt obligations first.
- Satisfy existing and anticipated future contractual and mandated obligations.
- Continue to fund the OPEB obligation as outlined in the OPEB Funding Policy.
- Maintain minimum recommended reserves at 5% of the operating budget.
- Attempt to maintain services at current levels. If anticipated FY20 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 FY20, 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% of the Town's operating budget.
- 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.
- As requested at the 2018 Annual Town Meeting, analyze Town and School Safety Task Force recommendations and request funding as appropriate. Continue implementation of recommendations made by the public safety staffing review group.
- Evaluate our health insurance renewal and its impact on our 2020 budget. Investigate options for providing quality health insurance for our employees and retirees, while controlling costs.
- 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.