

BOARD OF SELECTMEN FISCAL YEAR 2015 BUDGET POLICY DIRECTION

The Town Manager will prepare the FY15 operating budget and a three year projection of expenses and revenue. The FY15 budget should:

- Fund all debt obligations first.
- Satisfy existing and anticipated future contractual obligations.
- Maintain minimum recommended reserves at 5% of the operating budget.
- Attempt to maintain services at current levels. If anticipated FY15 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 FY15, 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.
- 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.
- In the event that the above conditions are met and there are available funds remain, the Town Manager will meet with department heads and the Superintendent of Schools to identify and prioritize unfilled departmental needs, and make a recommendation to the Board of Selectmen, Finance Committee, and School Committee.

Approved by the Board of Selectmen July 23, 2012