



ARTICLE 17: Free Cash

Article 17 - Use of Free Cash

Mr. Tarpey moves: that the Town take affirmative action on Article 17 to authorize and direct the Assessors to transfer \$1,000,000 from free cash to reduce the tax levy for the fiscal year ending June 30, 2020.



Article 17 - Use of Free Cash

What is Free Cash?

- Town's Undesignated Fund Balance
- Generated when actual revenue collections are in excess of estimates and/ or when actual expenditures are less than appropriations.
- Certified each year by the Department of Revenue
- Available for appropriation at an annual or special town meeting for any lawful purpose



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Availability of Free Cash for Appropriations

Certification Year (as of June 30)	Free Cash Available for Appropriation	Percent of Next Year's Budget
2009	\$ 8,471,337	11.2
2010	\$ 8,635,340	11.1
2011	\$ 9,567,656	11.9
2012	\$ 9,357,662	11.3
2013	\$ 9,664,489	11.2
2014	\$ 11,084,916	12.3
2015	\$ 11,040,993	11.5
2016	\$ 12,605,955	12.8
2017	\$ 10,798,936	10.4
2018	\$ 11,683,672	10.7



Article 17 - Use of Free Cash

- Town's Adopted Free Cash Policy
- Maintained at a level of 5 – 10% of General Fund Budget
- It can be used to provide property tax relief
- It should only be used to the extent that it can be replenished in the ensuing year
- If it rises above 10%, Town Management shall consider recommending using excess in the following ways:
 - For a capital item
 - For a General Fund Stabilization Fund



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			Percent of Next Year's Budget (from Certification Date)
As of June 30, 2018		\$ 11,683,672	10.70%
Policy Requirements:			
	5% Minimum	\$ 5,322,425	
	10% Maximum	\$ 10,644,849	
Current Balance Above Maximum Policy Requirement:		\$ 1,038,823	
Planned Use: Article 17, to Reduce Property Taxes		\$ 1,000,000	
Surplus Amount to be used in accordance with Policy		\$ 38,823	



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Use of Free Cash for Appropriation					
Fiscal Year	Appropriated to Reduce the Tax Levy	Appropriated for Debt Stabilization	Appropriation from Free Cash	Appropriated for Willard School Borrowing	Total Free Cash Use
2008	500,000				500,000
2009	600,000	2,500,000			3,100,000
2010	600,000			440,000	1,040,000
2011	600,000		34,430		634,430
2012	850,000		24,822		874,822
2013	850,000	2,000,000			2,850,000
2014	850,000	750,000			1,600,000
2015	850,000	750,000			1,600,000
2016	950,000	750,000	\$ 625,000 (1)		2,325,000
2017	1,000,000				1,000,000
2018	1,000,000		1,000,000 (2)		2,000,000
2019	1,000,000				1,000,000
	proposed				
2020	1,000,000				1,000,000



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