



ARTICLE 7: Use of Free Cash

Article 7 - Use of Free Cash

Ms. Briggs moves: that the Town take affirmative action on Article 7 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, 2024.



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



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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Availability of Free Cash for Appropriations

Certification Year (as of June 30)	Free Cash Available for Appropriation	Percent of Next Year's Budget
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
2019	\$ 11,839,956	10.1
2020	\$ 6,398,206	5.54
2021	\$ 7,695,461	6.45
2022	\$ 7,588,250	6.06



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		Percent of Next Year's Budget (from Certification Date)
As of June 30, 2022 (uncertified)	\$ 7,588,250	6.06%
Policy Requirements:		
5% Minimum	\$ 6,260,989	
10% Maximum	\$ 12,521,978	
Current Balance Above Maximum Policy Requirement:	\$ (4,933,728)	
2023 Annual Town Meeting Requests:		
Article 7 - Reduce Property Taxes	\$ 1,000,000	
Article 20 - Middle School Stabilization Fund	\$ 250,000	
	\$ -	
	\$ 1,250,000	
Estimated Balance if all ATM Warrant Articles are approved:	\$ 6,338,250	5.06%
Estimated Balance if only Article 7 is approved	\$ 6,588,250	5.26%



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Article 8: Use of Free Cash

Ms. Briggs moves: that the Town take affirmative action on Article 7 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, 2024.