



## TOWN OF SHREWSBURY

MASSACHUSETTS 01545-5398

### **Board of Selectmen Fiscal Policies Fiscal Year 2010**

1. The Board of Selectmen will not place onto the May 2009 Annual Town Election any question involving an override pursuant to G. L. c. 59, s. 21C (Proposition 2½ ). Pursuant to this policy, the town manager is directed to file budget recommendations with the Board of Selectmen and Finance Committee that reflects adherence to a revenue stream that is contained within the Town's existing levy limit. After evaluating the feasibility of non-permanent options, the Board may consider placing a question onto the May 2009 Annual Town Election Ballot under the following conditions:
  - a. The Town's State Aid allocation is reduced resulting from the adoption of Question #1 (Elimination of State Income Tax) on the November ballot.
  - b. A natural or manmade disaster or extraordinary state of emergency was to befall the community.
2. As the Board strives to reach a reserve balance goal of 6.5% of the Total Operating Budget, as of July 1, 2009, the Board of Selectmen will seek a combined Certified Free Cash and Stabilization Fund balance that will be no less than 4.0% of the Total Operating Budget adopted at the May 2009 Annual Town Meeting (7/1/2007 Free Cash balance was \$4,850,038; Stabilization Fund balance was \$584,023 on an operating budget of \$86,904,423 (6.25%). Pursuant to this policy, the town manager is directed to make recommendations to the Board of Selectmen and Finance Committee that reflects adherence to this objective.
3. The Board of Selectmen will adopt a debt management policy no later than July 1, 2009 after studying the issue further which will include the updating of the Town-wide Facility Study and being advised on the status of SBA funding of the Sherwood Middle School Project. The debt management policy will be tied to the impact of exempted debt on the average residential tax bill. Previous impacts were \$300.22 (FY 09 Estimate), \$254.15 (FY 08), \$287.49 (FY 07), \$353.78 (FY 06), \$347.89 (FY 05).
4. The Board of Selectmen directs the town manager to make full use of the Town's levy capacity in FY 2010 and make recommendations to the Board of Selectmen and Finance Committee that reflects adherence to this objective.
5. The Board of Selectmen will continue to adjust water rates as necessary to maintain the water utility as self supporting plus maintaining sufficient reserves for future capital needs to minimize any future borrowing. The Board will also advise the Town Manager and Sewer Commission to do the same for the sewer system.

6. The Board of Selectmen will propose to use one time revenues for capital replacement, debt management or infrastructure improvement purposes (including but not limited to cash matches to leverage grant funds) and not to be used for operational purposes. Further, the Board desires to make use of one time revenue to enhance economic development opportunities whenever possible.
7. The Board of Selectmen directs the town manager to file with his initial budget recommendations in January of each year a five year fiscal forecast.

Adopted this 22<sup>nd</sup> day of September, 2008

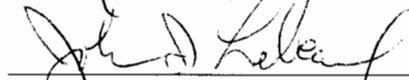
Board of Selectmen:



James A. McCaffrey



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