



Article 19 Use of Free Cash

Ms. Miller moves:

That the Town transfer from Free Cash, the sum of \$1,000,000, to be used by the Board of Assessors to reduce the tax levy for the fiscal year ending June 30, 2018.



Article 19 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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Free Cash History

<u>FYE</u>	<u>Amount Certified</u>	<u>% of Budget</u>
2012	\$ 9,357,662	11.3%
2013	\$ 9,664,489	11.2%
2014	\$11,084,917	12.3%
2015	\$11,040,933	11.5%
2016	\$12,606,955	12.8%



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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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Use of Free Cash

FY	Appropriated to Reduce the Tax Levy	Appropriated for Debt Stabilization	Appropriation from Free Cash	Total Free Cash Use
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	2,325,000
2017	1,000,000			1,000,000



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			Percent of PY Budget
As of June 30, 2016	\$	12,605,955	12.83%
Policy Requirements:			
5% - Minimum	\$	4,912,479	
10% - Maximum	\$	9,824,958	
Current Balance Above Maximum Policy Requirement:			
	\$	2,780,997	2.83%



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Article Number: Proposed Request for Free Cash Appropriation:

FY2018 Budget to reduce			
19	Property Tax	\$ 1,000,000	1.02%
Acquisition of 55 Church			
23	Street	\$ 1,200,000	1.22%
Junction Village Affordable			
30	Assisting Living Development	\$ 1,000,000	1.02%
51	Concord's Energy Goals	<u>\$ 200,000</u>	<u>0.20%</u>
sub-total:		\$ 3,400,000	3.46%

Balance of Free Cash,
assuming all proposals are
approved: \$ 9,205,955 9.37%



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