

Special Town Meeting
December 6, 2021

Article 2

Vote to rescind the use of Stabilization Fund

As the Fiscal Year 2021 general fund budget was prepared for Town Meeting's approval, the pandemic had been ongoing for three months, and steps were taken to minimize the impact on the ensuing Fiscal Year 2021 operating budget. What remained uncertain at that time was what the revenue estimates were going to look like for state aid, local receipts, and new growth due to the pandemic. Town Meeting voted favorably in June 2020 to use funds from the Stabilization Fund as an alternative funding source, and in December 2020 once Free Cash was certified, rescinded that vote and voted to use July 1, 2020 certified free cash alternatively.

As we returned to Town Meeting in May 2021 for the appropriation of the Fiscal Year 2022 operating budget, the pandemic continued with economic stress and concern whether or not our revenue estimates would return to previous levels. In order to continue services to the residents and stabilize current staffing levels, the amount of \$1,400,000.00 from the Stabilization Fund was used to balance the Fiscal Year 2022 budget with the understanding that it was a priority to replenish these funds back to the Stabilization Fund in order not to jeopardize our current AA+ bond rating. We did this rather than using free cash at the time, minimizing impact to the year-end financial statements.

Fiscal Year 2021 is now closed and as we prepare to set a tax rate for the current fiscal year, free cash has been certified as of July 1, 2021, estimates of state aid and new growth has been certified by the Department of Revenue. As a result, the amount of \$1,400,000.00 from the July 1, 2021 certified free cash is a more prudent financing source

for balancing the Fiscal Year 2022 budget and allows us to leave the Stabilization Fund intact. We believe this will help to maintain the AA+ bond rating.

Therefore, we are requesting that the vote of the use of the amount of \$1,400,000.00 from the Stabilization Fund of the General Fund be rescinded and replaced to include the use of an amount not to exceed \$1,400,000.00 from the July 1, 2021 certified free cash to fund Town charges for Fiscal Year 2022.

Stabilization Fund	(\$1,400,000.00)	
Free Cash		\$1,400,000.00

The use of these funds contributed to balancing the Fiscal Year 2022 budget and our concern continues to be that without revenue growth to previous estimates, there will continue to be the need for budgetary relief from the effects of the COVID-19 pandemic.