

Unassigned Fund Balance Policy - Andreas and Andrea's Draft with *Rob's comments*

Zone	Percentages	Potential Uses	Required Actions To Use
High Cautionary Zone	< 5 %	Specific Urgent and Unexpected Situation Only as deemed by the Board of Finance and the Board of Selectman	Requires approval by a vote of 4 members of the Board of Finance at an official meeting, and only upon the determination of a specific urgent situation by both the Board of Finance and the Board of Selectmen (by regular voting procedures). The Board of Finance shall adopt a plan to restore the Fund Balance to greater than 5% over the next two fiscal years. <i>And to 9% when?</i>
Cautionary Zone	5 % to 9 %	Specific Urgent and Unexpected Situation as deemed by the Board of Finance.	Requires approval by a vote of 4 members of the Board of Finance at an official meeting, and only upon the determination of a specific urgent situation by both the Board of Finance and the Board of Selectmen (by regular voting procedures). The Board of Finance shall adopt a plan to restore the Fund Balance to greater than 9% over the next two fiscal years <i>and to replace funds over 5 fiscal years.</i>
Confidence Zone	9 % to 12 %	Capital Projects, Debt Repayment, One time expenditures. Should not bring fund balance below 9%	Requires a majority vote of Board of Finance members present, but no less than 3 members in favor of approval <i>if the resulting fund balance remains above 9%, otherwise a minimum of 4 members of the Board of Finance</i> . Identify one time expenditure(s); or expected revenue or expense reduction to occur in next fiscal year. The Board of Finance shall adopt a plan to restore the Fund Balance to greater than 9% over the next 2 fiscal years and to replace funds over 5 fiscal years.
High Confidence Zone	> 12 %	Capital Projects, Debt Repayment, One time expenditures, Mill Relief. Should not bring fund balance below 12%	Requires a majority vote of Board of Finance members present, but no less than 3 members in favor of approval <i>if the resulting fund balance remains above 9%, otherwise a minimum of 4 members of the Board of Finance</i> . Board of Finance shall adopt a plan to restore the Fund Balance to greater than 7% (9% ?) over the next 2 fiscal years and to 12% over 5 fiscal years.

is this Mill Rate Relief ?