



# TOWN OF HADLEY, MASSACHUSETTS

## OFFICE OF THE FINANCE COMMITTEE

To: Board of Selectmen and the Tax Payers of the Town of Hadley

From: the Finance Committee

Date: August 26<sup>th</sup>, 2014

Re: Allocation of Certified Free Cash – Fall 2014

On April 28<sup>th</sup> of this year the Finance Committee submitted a recommendation to the town for the use of certified free cash that may become available at the close of the 2014 budget year. Please recall that the boards mutually agreed to omit and or short fund specific line items so as to attain a balanced budget this past spring.

We respectfully submit that the following financial line items be placed on the fall town warrant, and given priority over other monetary requests submitted by others.

In the order of importance:

1. Restore \$164,888.00 to the OPEB account funding in the FY'15 Budget to the originally requested, consistent with the OPEB strategy set by the Select Board in September, 2012.
2. Transfer the \$277,000 in estimated meals tax receipts to the Capital Stabilization Account, as per prior policy set by Select Board and town meeting.
3. Return to Stabilization Account the \$84,668.00 withdrawn at the 2014 Annual Meeting, thus restoring our reserves to levels utilized in obtaining our recent S&P rating increase.
4. Reclaim the \$177,582 in free cash amounts used at Annual Meeting to balance the FY'15 Budget, in order to have these funds available for the FY'16 Budget. [Note that Mr. Nixon's 5-year forecast reflects a 2016 budget deficit of \$4,776. When adjusted for \$300,000 in meals tax used in his FY'16 revenues, and adjusting OPEB contributions to \$247,388 as per Select Board policy, that deficit is closer to \$500,000.]

Respectfully Submitted

Finance Committee