

**Town of Georgetown
Board of Selectmen**

Policy Statement on Stabilization Fund

Issue date: Approved by BoS February 28, 2011

Type of policy: New (☒) Amendment ()

Effective date:

Level: Department () Division () Town Wide (X)

Policy Statement

This Policy statement sets forth the parameters for the stabilization fund, as it relates to the Town's operating budget.

References

None

Special Terms

None

Policy Description

It shall be the goal of the Town Of Georgetown to have an amount in the stabilization fund at least equal to 5%, and no greater than 10% of the operating budget. When the balance of the fund is less than the 5% level, no appropriations will be considered except in cases of extreme fiscal emergency as determined by the Board of Selectmen in consultation with the Finance and Advisory Board.

Rationale: The benefits of having at least a moderate amount of money in the stabilization fund are many. It assists the Town in maintaining a good bond rating and lowering our borrowing costs. Most importantly, it provides a financial buffer when the Town is faced with major unexpected expenses or unanticipated loss of revenue.

Recommended by the Finance and Advisory Board 12.15.10

Approved by the Board of Selectmen 2.28.11