

## **TOWN OF MILLIS STABILIZATION FUND POLICY**

- Schedule A General Fund Expenditures less transfers to other funds plus payments by the Massachusetts Teacher Retirement System paid on behalf of the town, shall be known as Total General Fund Expenditures and will be the base upon which the selected Stabilization fund/Free Cash reserve will be calculated.
- The annual calculation for the Stabilization Fund/Free Cash reserve shall be made as of June 30 of each fiscal year and shall be considered prior to annual fall town meeting appropriation recommendations.
- The Town's goal shall be to have at least 5% of Total General Fund Expenditures on hand in the Stabilization Fund as of June 30 of each fiscal year.
- If the Town does not meet the 5% goal, then funds shall be appropriated in subsequent Town Meetings to replenish the Stabilization account to the 5% level. A minimum of \$50,000 per annual fall town meeting shall be appropriated to the Stabilization fund to reach the 5% goal.
- If the 5% goal is met, then a minimum of \$50,000 shall be appropriated to the OPEB stabilization fund. If only a portion of the \$50,000 is needed for the Stabilization fund then the balance of the funds will be appropriated to the OPEB stabilization fund.
- The Stabilization Fund may be used for any lawful purpose but should typically be used only for unforeseen and emergency purposes.
- If use of the Stabilization Fund for unforeseen and emergency purposes drops the fund balance below the 5% goal then the town shall develop a funding schedule to re-attain the 5% goal within three years or less.