

TOWN OF PRINCETON, MA
Princeton Advisory Committee
Meeting Minutes
December 18, 2019 – 6:00 p.m.

AC members in attendance: Wayne Adams, Helga Lyons, Rick McCowan, Bill Lawton, Judy Dino, Mary Jo Wojtusik.

Advisory Committee (AC) Agenda

- Approve Minutes of 12/11/19
- Discuss proposed Financial Policy

Meeting Minutes: Meeting started at 6:15 p.m.

Discussion

Financial Policy for Town of Princeton

The draft Financial Policy for the Town of Princeton has the following new concepts:

- Budget Calendar
- Capital Request Form
- Capital Improvement Plan
- Prioritization of Capital Requests
- Annual Warrant to include financial analysis and planning
- Quarterly budget reporting

The draft Financial Policy introduces the following guardrails:

- Revenue Policy
 - New growth project at 3-year historical average
 - Local receipts based on 85% of prior year actual
- Free Cash Policy
 - Goal of 5-7% of General Fund Reserves
- Stabilization Fund Policy
 - Goal of 5% of Annual General Fund Revenues
- Infrastructure Stabilization Fund Policy
 - Fund at 3.75% of General Fund
- Debt Management Policy
 - Debt Service ratio to be 5 to 7% General Fund
- Capital Improvement Plan Policy
 - Fund Capex at 7% of prior year's revenues
 - Fund Road Construction at 3.55% of general fund revenues

- OPEB Policy
 - o Fund at 2% of liabilities

Discussion of the policy resulted in several follow-up items which will be presented at the next AC Meeting.

Approval of minutes of the 12/11/19 meeting: 5Y/0N/1A

The next AC meeting was scheduled for 1/8/2020.

The AC Meeting adjourned at 9:00 p.m.

Handouts: Draft Financial Policy

Minutes recorded by Helga Lyons, Secretary