

Policy on Capital Stabilization Fund Use

The Capital Stabilization Fund was established under the provisions of Massachusetts General Laws Chapter 40, section 5B and by the vote of the Town at the Annual Town Meeting held on May 7, 2012, article 46.

- a) The Town will maintain the Capital Stabilization Fund to save for future capital projects and to augment capital spending in those years with either large numbers of capital requests or in years without sufficient free cash to support the Town's annual capital spending program.
- b) The use of the Capital Stabilization Fund shall be restricted to those items that meet the definition of capital items under the Town's Capital Improvement Plan. Expenditures may be made from the fund for capital improvements, capital equipment, and paving. The fund may also be used to pay a portion of the debt service on items listed above on a short-term basis dependent upon the need. The fund is not to be used on an on-going basis to support debt.
- c) It shall be the goal of the Town to replenish any amount appropriated from the stabilization fund in the prior fiscal year within two (2) subsequent fiscal years. Said funding shall come from, but not be limited to, free cash.

Ellen H. Allen
Ellen Allen, Chair

Date: 6/25/14