

Town of Holden
Finance Committee
Financial Goals
February 8, 2023

Finance Committee Goals:

1. Strive to keep the average annual property tax increase below 3%
2. Strive to increase excess levy capacity each budget cycle.
3. Build and maintain the general fund stabilization balance to 15% of the annual general fund expense budget.
4. Strive to maintain the Town's bond rating.
5. Set the use of certified free cash as outlined below.
 - a. Stabilization funding – 10%
 - b. Capital funding – 10%
 - c. Other Post-Employment Benefits – 5%
 - d. Offset Operations/Reduce Tax Rate – 25%
 - e. Retain as certified free cash – 50%
6. New growth factors used for budgetary purposes should be statistically consistent with prior years actual amounts, unless persuasive evidence exists to use a different figure.
7. All non-property tax revenue sources should be budgeted at levels statistically consistent with prior years actual amounts, unless persuasive evidence exists to use a different figure.
8. General fund debt service should not exceed 10% of budgeted general fund revenues in the current year or any future years.
9. Enterprise fund debt service should not exceed 20% of budgeted fund revenues in the current year or any future years.

Finance Committee Positions:

1. The stated goals above are not absolute and should be used as a general framework for the FinCom each budgetary cycle. It is acknowledged that not all of the stated goals may be attained consistently. Variances from these goals will be supported by persuasive evidence.
2. These goals are to be reviewed and updated on an annual basis before the start of the budget cycle.
3. The FinCom expects to be advised by the Town Manager during the year on a timely basis of any significant revenue or expense items that deviate from any of the various funds budgets or in non-budget programs, such as CH 90, ARPA, grants, etc.

Adopted by Holden Finance Committee 2/8/2023