

Approved by BOS 6.22.09

**TOWN OF GREAT BARRINGTON
DEBT MANAGEMENT POLICY
EFFECTIVE JUNE 22, 2009**

Ensure debt management does not require elimination of essential Town services

Establish a target of 10% of the non-debt service tax levy for CIP operations annually if permissible under the restraints of the State Law.

Establish a target balance of the general undesignated fund balance at a minimum of 10% of the total operational expenditures of the general fund.

Authorize no new program without an identified financing source to pay for said program.

Restrict debt service payments to a maximum 30% of the property tax levy*

Authorize all debt service to have level or declining annual principal payments unless there is a better economically feasible schedule

General Obligation debt ratio not to exceed 50% of statutory limit (5% of equalized valuation)

Prohibit the issuance of long-term debt to fund operational programs.

Allow no one-time fund balance transfers for operating purposes

Authorize no expanded services without a minimum 80% of the revenues for said services available from non-property tax sources

Direct the Town Manager to annually review methods of operation, program service delivery, and resource expenditure inclusive of manpower allocation to ensure maximum efficiency of Town operations.

Amend this policy document only by majority vote of the Board of Selectmen and majority vote of the Finance Committee

*although the policy only applies to debt issued directly by the Town the Boards recognize the impact of the joint debt of BHRSD and BRTA of which the town is a member.