

## Belmont Fiscal Compact Guiding Principles

*To strengthen our long-term fiscal planning, effectively balance the needs of all residents and minimize future tax increases, a Fiscal Compact Advisory Group will be established to develop a long-term fiscal strategy to help guide current and future town leaders. The guiding principles and commitments below are aimed at setting a foundation for advisory working group members to further refine and develop a more formal fiscal compact with taxpayers. The Fiscal Compact will be completed in advance of the fall FY26 budget summits.*

- No additional Proposition 2½ override request for at least three years after a successful override.
- Reduce annual expense growth rates to bring expenditures in closer alignment with revenue.
- Develop policies to spur revenue and growth, diversify our tax base and promote economic development and business growth.
- Reduce the reliance on one-time sources to fund the operating budget and place excess Free Cash generated each year by turnbacks or excess revenue into specific stabilization funds and capital projects.
- Protect against future fiscal shocks by maintaining adequate financial reserves and a strong bond rating.
- Pursue key initiatives to reduce ongoing expenses and generate operating efficiencies through Town/School organizational structure enhancements.
- Bolster town services, including replacing the aging school curriculum and expanding discretionary capital.
- Provide transparent budgeting and formalize multi-year financial planning, including the potential creation of a long-term financial planning committee with representation from town boards/committees, town and school administration, and town residents with a goal of achieving financial stability and sustainability.
- Develop new senior economic tax relief programs (to the extent permitted by Massachusetts Law).