

Proposal - Override Mitigation Fund

The purpose of the Override Mitigation Fund is to set-aside monies intended for use in future years to supplement operating budgets. The figures shown below reflect current modeling for an \$8.4M override, with appropriations to the fund and intended uses in out-years. If additional revenues come to the Town in the future, policy makers may choose to offset drawdowns from this fund, thereby extending the time period between overrides.

	FY2025	FY2026	FY2027
Free Cash - FY2025	\$ 3,235,000		
Tax Levy - Seed \$	\$ 930,000		
Interest Earnings <i>(est.)</i>	\$ 166,600	\$ 102,498	\$ 20,973
TBD	\$ -	\$ -	\$ -
Total Revenue	\$ 4,331,600	\$ 102,498	\$ 20,973

Budget Drawdown	\$ -	\$ 915,000	\$ 2,820,000
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(potential to reduce if additional funding sources identified - would extend life of fund)

Fund Balance	\$ 4,331,600	\$ 3,519,098	\$ 720,071
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The benefit of having such a fund allows the Town to -

- dedicate funds to this specific purpose, thereby ensuring availability
- segregate interest earnings, potentially extending available life of fund
- minimize confusion that may result from commingling with Free Cash
- clarify available funding for future budget drawdowns - once the balance has been depleted, another solution will be needed