

## **STM 6 – Stabilization Fund - Nuclear**

*minutes from 2/3/16 A&F meeting*

Lynne Barrett, Director of Finance, presented STM Article 6. Over the past four years, the town has made a commitment to continually set aside available funds for the Nuclear Plant Mitigation Fund. Now more than ever this is very important in light of Entergy's recent announcement of closure sometime in the near future (2017 or 2019). These funds are being set aside for future use as it relates to the Entergy Nuclear Power Plant and the effect that plant would have on the town's budget. Entergy's payments to the town will decrease over a period of years, it will not disappear all at once. Possible future effects could include the following but are not limited to:

1. Decreases in the tax payment from Entergy because of closure or discontinued operations or changes in their tax payment that were not planned or budgeted for.
2. Loss of funding from Entergy for the annual operations of the town's Emergency Management Operation or any other funding that they provide to the town that we don't provide ourselves.
3. Other costs associated with the town's efforts to protect itself during the closing & decommissioning process.

Any future spending from this account would require a 2/3rds vote of Town Meeting. The recommendation is to transfer \$750,000 from Overlay Surplus certified by the Board of Assessors to the Nuclear Plant Mitigation Stabilization Fund. The current balance in this account is \$2,886,924.

Questions:

- Is the balance in an interest bearing account? (C Merrill) Yes
- What is "certified overlay surplus"? (S Joyce) Overlay is the allowance for abatements and exemptions. It is an annual account to cover anticipated abatements and exemptions of committed real and personal property taxes for that fiscal year. Excess overlay is determined, certified and transferred by vote of the assessors to a Fund Balance Reserved for Overlay Released by the Assessors for Expenditures (overlay surplus). If it is not used, it closes out to free cash.
- Is there over-reserving taking place? (J Moody) The Department of Revenue does an analysis based on past abatements and threshold, it is based on historical trends.

**Patrick O'Brien made a motion to recommend STM Article 6 to Town Meeting. Harry Salerno, second.**

Discussion:

The town is doing all it can but it is unfortunate that it didn't start this sooner. The town should plan better for a rainy day. (K Canty)

The town has done a good job, it had forethought. (P O'Brien)

**The motion carries unanimously (13-0-0).**