

## **Town Article 14 – Contingency Fund**

This article will establish a contingency fund as allowed by State statute in the amount of \$98,087, taken from the UFB. (1) The fund is to be used for unexpected expenses, and the BOS is required to prepare a detailed report of those expenditures. Funds that are not used will lapse back to the UFB at the end of the year. (2)(3) There is no tax impact.

**A YES vote** will create a contingency fund of \$98,087 for unanticipated or catastrophic events that are not provided for in the Operating Budget.

**A NO vote** would not create a contingency fund and would require the use of other funds to deal with unexpected expenses.

### **Reasons why some voters might vote yes:**

- To have funds designated and readily available for an unexpected occurrence

### **Reasons why some voters might vote no:**

- Prefer that monies come from another source such as the Operating Budget or disaster relief

### **References:**

1. RSA 31:98-a: Contingency Fund. “Such fund shall not exceed one percent of the amount appropriated by the town for town purposes during the preceding year excluding capital expenditures and the amortization of debt.”
2. A contingency fund was first created by the voters in 2019, but according to Finance Director Julie Jenks, these funds have not been used and have lapsed each year, with the exception of 2023. See comments by BOS member Rani Merryman and Finance Director Julie Jenks at Public Hearing for the Town Warrant at the Budget Committee, 01/14/2025, timestamp [1:45:06], <https://tinyurl.com/yxwn4x5f>, and Julie Jenks at Budget Committee meeting, 01/02/2025, timestamp [1:10:00], <https://tinyurl.com/3nc8ekn6>