

Town Of East Greenwich

Finance Department

Memorandum

TO: ANDREW E NOTA, TOWN MANAGER
FROM: PATRICIA A. SUNDERLAND, FINANCE DIRECTOR *pas*
SUBJECT: YEAR END RESERVE FUND TRANSFERS
DATE: JUNE 1, 2022

Based on a May 23, 2022 year to date budget review it is estimated that the Town will finish the fiscal year with a General Fund operating surplus in excess of \$1,300,000. Revenues greater than budgeted amounts were a significant factor in generating the surplus due to aggressive collection practices on delinquent accounts, uptick in building permits, police details, real estate conveyance fees and meals & beverage pass thru taxes. Until recent, vacant positions remained unfilled due to lack of interest in the workforce resulting in a \$126,000 surplus in expenditures. Based on the projected surplus within the General Fund Budget, I am recommending that the Town Council transfer \$590,000 to five different capital reserve funds to fund various capital projects to help minimize future budget expenditure increases by funding necessary expenditures with the current fiscal year anticipated surplus, as follows:

1. Transfer up to a maximum \$25,000 to the Municipal Planning Reserve Fund. This budget transfer from the General Fund, Planning Department, to this Capital Reserve will reserve the 2022-2023 budgeted funds earmarked for the Parking Study.
2. Transfer up to a maximum \$100,000 to the Public Works Improvement Fund. This transfer will allow the Town to continue to with the pavement management program as presented in the 2022-2023 Capital Improvement Program and provide set aside funds for future infrastructure improvement projects.
3. Transfer up to a maximum \$25,000 to the Capital Equipment Replacement Fund-Police Department. This transfer will help aide in the aging fleet ultimately reducing the annual vehicle maintenance expenses. This transfer is consistent with the 2022-2023 Capital Improvement Program.

In closing, I strongly recommend that all General Fund transfers be made in order to provide as much financial flexibility for the anticipated costs associated with these projects. The transfers will help to minimize future budget expenditure and property tax increases by funding necessary expenditures with the current year projected surplus.

Additional transfers are recommended should a greater surplus be projected, as follows:

- A transfer of \$50,000 from Miscellaneous Tax Transfer account, #0101- 01036, to the Capital Reserve Fund - Town Hall Improvement Fund, to be set aside for the LED conversion/upgrade of the town's street light inventory and,
- A transfer of \$390,000 from Miscellaneous Tax Transfer account, #0101-01036, to the Parks Improvement Program Fund. This transfer provides funding for the Town Council's commitment of the urgent need to replace the turf field at the East Greenwich High School by sharing equally in the project cost.

It should be noted that it is management's objective to maintain an operating surplus equal to the amount of unassigned fund balance being forwarded to the General Fund each fiscal year in order to maintain an Appropriate Level of Unrestricted Fund Balance.

If you agree with the above recommendation I would request the following resolutions be placed on the Town Council's June 13, 2022 agenda.

ANDREW E. NOTA, TOWN MANAGER
YEAR END RESERVE FUNDS TRANSFERS
June 6, 2022

Reserve Fund Transfers from General Fund

BE IT RESOLVED that program balances identified below in the 2021-2022 fiscal year appropriations for General Fund (0101) shall be transferred to the following Reserve Funds in the corresponding not-to-exceed amounts:

Object Code	Expenditure Description	Transfer Total	Reserve Fund
014320*	Police Department	25,000	Police Cap Equip Repl. Fund
014451*	Public Works	100,000	Public Works Improvement Fund
014610*	Planning Department	\$25,000	Municipal Planning Reserve Fund
	Total Expenditure Transfer	\$150,000	
Object Code	Revenue Description	Transfer Total	Reserve Fund
01036	Misc Tax Transfer	\$50,000	Town Hall Improvement Fund
01036	Misc Tax Transfer	\$390,000	Parks Improvement Fund
	Total Tax Transfer	\$440,000	
	Total General Fund Transfers	\$590,000	

FURTHER RESOLVED: That the Town Finance Director, with the advice and consent of the Town Council, is hereby permitted to invest the funds at any time in said savings accounts or certificates of deposit of commercial or savings banks, or trust companies, or in obligations of the United States or its agencies, or in any other short-term investment as would be made by prudent persons of discretion and intelligence.

	Total Actual 2019/2020	Final Budget 2020/2021	Total Actual 2020/2021	Diff over/under FY2021	Actual Last Year to May 31, 2021	Collected after May FY2021	Final Budget 2021/2022	Actual Current Year to May 31, 2022	Projected Over/Short
Payments in Lieu of Taxes	630,943	630,943	293,330	(337,613)	293,330	0	730,000	714,000	(16,000)
Current Year Taxes	55,647,265	56,777,346	56,414,089	(363,257)	47,606,744	8,807,344	58,619,941	49,272,824	(317,521)
Prior Year Taxes	1,453,422	950,000	1,408,575	458,575	433,426	975,149	950,000	585,283	610,431
Collection Fees	(13,130)	0	(20,317)	(20,317)	(19,540)	(777)	0	(2,854)	(2,854)
Transfer Tax Dollars to other funds	(36,943,795)	(40,769,425)	(40,819,425)	(50,000)	(33,151,209)	(7,668,216)	(41,762,295)	(9,253,326)	0
Local Property Taxes	20,774,705	17,588,864	17,276,251	(312,613)	15,162,751	2,113,500	18,537,646	41,315,926	274,056
Fines & Forfeitures (Int on taxes)	222,753	160,000	216,585	56,585	189,894	26,691	175,000	188,700	40,391
Fines & Forfeitures									
Town Clerk Dept Revenue	273,897	247,150	412,702	165,552	353,670	59,033	247,000	272,151	84,184
Finance/Assessment	35,329	17,500	31,849	14,349	32,650	(801)	22,000	26,051	3,250
Fire Department	740,050	800,000	645,402	(154,598)	580,129	65,273	750,000	636,038	6,310
Police Department	303,618	165,000	403,585	238,585	305,973	97,612	184,800	194,333	107,145
Municipal Court	1,840	2,500	2,880	380	2,785	95	2,500	10,276	7,871
Planning/GIS	16,851	13,000	17,886	4,886	17,096	790	14,500	27,199	13,489
Public Works	653,150	349,225	823,811	474,586	749,694	74,117	400,200	626,271	225,188
Recreation Revenue	24,944	23,350	15,125	(8,225)	6,616	8,509	21,500	23,221	10,230
Departmental	2,049,681	1,617,725	2,353,241	735,516	2,048,613	304,628	1,642,500	1,815,539	481,467
State PILOT Program	15,012	15,012	6,266	(8,746)	6,266	0	15,800	15,131	(669)
Excise Tax Phase-Out	538,524	567,875	224,385	(343,490)	224,385	0	591,670	574,015	(17,655)
Meals & Beverage Tax	680,385	700,000	617,172	(82,828)	565,619	51,553	635,000	751,522	168,075
Corporation Tax	165,037	165,037	162,821	(2,216)	162,821	0	162,000	155,790	(6,210)
Hotel Tax	1,891	1,500	2,049	549	1,804	245	1,992	1,866	119
Chapter 26 School Housing Aid	1,526,130	0	0	0	0	0	0	0	0
State	2,926,978	1,449,424	1,012,692	(436,732)	960,894	51,799	1,406,462	1,498,324	143,660
COVID-19 Response Fund	0	0	1,212,730	1,212,730	1,212,730	0	0	0	0
Federal	0	0	1,212,730	1,212,730	1,212,730	0	0	0	0
Real Estate Conveyance Fee	249,031	325,000	500,798	175,798	453,073	47,725	350,000	651,493	294,218
Rental of Town Property (cell)	132,541	132,000	143,489	11,489	125,891	17,597	135,300	125,891	8,189
Bond Subsidy	555,532	0	0	0	0	0	0	0	0
Miscellaneous Revenue	140,285	10,000	65,967	55,967	44,560	21,406	15,000	15,703	(27,891)
Moorings	32,540	31,000	32,700	1,700	31,985	715	31,500	30,410	(375)
FEMA Revenue	8,715	0	6,083	6,083	6,083	0	0	10,144	10,144
Investment Income	73,210	65,000	24,321	(40,679)	22,659	1,663	45,000	13,450	(28,788)
Other	1,191,853	563,000	773,357	210,357	684,251	89,106	576,800	847,091	255,497
Sewer Department	43,000	0	0	0	0	0	0	0	0
Appr. Prior Year Surplus-General	0	0	0	0	0	0	600,000	0	0
Transfers from Other Funds	43,000	0	0	0	0	0	600,000	0	0
Total General Fund Revenues	27,208,970	21,379,013	22,844,856	1,465,843	20,259,132	2,585,724	22,938,408	45,665,580	1,195,071

Expenditures by Department							
	FY2021-2022 Adopted	Transfers	FY2021-2022 Revised	FY2021-2022 YTD Actuals + Enc	FY2021-2022 Available	FY2021-2022 EST Outstanding	FY2021-2022 EST Surplus/Deficit
General Fund							
Town Manager	\$373,806	-	373,806	\$343,147	30,659	\$38,348	(\$7,689)
Town Clerk & Board of Canvassers	434,353	-	434,353	415,965	18,388	38,968	(20,580)
Municipal Court & Probate Judge	16,500	-	16,500	14,459	2,041	6,000	(3,959)
Legal Services	280,500	-	280,500	353,589	(73,089)	-	(73,089)
General Insurance	463,000	-	463,000	434,872	28,128	5,000	23,128
Council Contingency	50,000	-	50,000	181	49,819	-	49,819
Finance	823,349	-	823,349	663,579	159,770	69,013	90,757
Information Technology	725,791	-	725,791	774,854	(49,063)	71,369	(120,432)
Parks & Recreation	1,054,943	-	1,054,943	1,004,122	50,821	109,410	(58,589)
Senior & Human Services	421,446	-	421,446	354,310	67,136	30,377	36,759
Police Department	5,949,716	-	5,949,716	5,142,973	806,743	652,656	154,087
Public Works	3,818,084	-	3,818,084	3,543,610	274,474	182,977	91,497
Planning Department	344,738	-	344,738	276,964	67,774	16,059	51,715
Fire Department	7,342,582	-	7,342,582	6,561,788	780,794	875,634	(94,840)
Community Services	25,000	-	25,000	25,000	-	-	-
Town Hall Operating	64,600	-	64,600	51,685	12,915	5,500	7,415
Capital Outlay	750,000	-	750,000	750,000	-	-	-
GENERAL FUND GRAND TOTAL	\$22,938,408	\$0	\$22,938,408	\$20,711,098	\$2,227,310	\$2,101,311	\$125,999