

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 13, 2025

Based on our June 12, 2025 budget review, the Town is projected to finish the fiscal year with a General Fund budgetary surplus exceeding \$1,700,000. I recommend transferring \$607,252 to six capital reserve funds and the Debt Service Fund to fund essential projects and minimize future tax increases.

Surplus Sources:

Revenue Increases (\$1,261,000)

- Real estate conveyance fees (Dave's Market property sale)
- Police court fees and detail revenue
- Fire rescue billing revenue
- Meal & beverage pass-through taxes (mild weather impact)
- **Statewide Tangible Phase Out surplus: \$546,636 (unbudgeted revenue)**

Expenditure Savings (\$439,000)

- Salary and benefit savings from vacancies
- Lower than anticipated legal fees
- Reduced snow removal costs (mild winter)
- Fleet maintenance savings from recent equipment investments

Investment Strategy

Town surplus funds are invested in:

- Liquid money markets (4.25% average return)
- Short-term certificates of deposit (4.4% average)

Note: The \$76.15M school bond issuance on June 4, 2025 will restore unassigned fund balance when it closes on June 26, 2025.

Recommended Transfers

Fund	Amount	Purpose
Municipal Planning Reserve	\$ 30,000	FY2026 Comprehensive Plan Funding
Public Works Improvement	\$100,000	Pavement Mgmt Program
Capital Equip – Public Works	\$ 50,000	Excavator Replacement (3Yr Funding)
Building Improvement – Police	\$170,000	HVAC System Replacement (Council approved – 2/24/25)
Capital Equip – Fire	\$100,000	Engine 2 Replacement (4Yr Funding)
Debt Service Fund	<u>\$157,252</u>	LED St Light Conversion FINAL Reimb.
Total Primary Transfers	\$607,252	

ANDREW E. NOTA, TOWN MANAGER
YEAR END RESERVE FUNDS TRANSFERS
June 4, 2023

Additional Transfers (if surplus allows)

Fund	Amount	Source Allocation	Purpose
Debt Service Fund	\$250,000	Misc Tax Transfer (#0101-01036)	Future Tax Impact Mitigation

Financial Strategy

These transfers will:

- Fund essential capital projects without future borrowing
- Minimize property tax increases
- Maintain appropriate unrestricted fund balance levels
- Provide financial flexibility for anticipated project costs

Recommendation

I recommend Town Council approval of all transfers to maximize fiscal year efficiency and minimize future budget pressures.

Requested Action

Please place the following resolutions on the June 23, 2025 Town Council agenda for consideration.

BE IT RESOLVED that program balances identified below in the 2024-2025 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	\$170,000	Police Building Improvement Fund
014451*	Public Works	100,000	Public Works Improvement Fund
014451*	Public Works	50,000	Public Works Cap Equip Repl. Fund
014610*	Planning Department	30,000	Municipal Planning Reserve Fund
014910*	Fire Department	100,000	Fire Dept Cap Equip Repl. Fund
01036*	Misc Tax Transfer	157,252	Town Hall Improvement Fund - LED
	Total Expenditure Transfer	\$607,252	
Object Code	Revenue Description	Transfer Total	Reserve Fund
01036	Misc Tax Transfer	\$250,000	Town Hall Improvement Fund – LED
	Total Tax Transfer	\$250,000	
	Total General Fund Transfers	\$857,252	

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.