

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 16, 2026

Based on our June 15, 2026 budget review, the Town is projected to finish the fiscal year with a General Fund budgetary surplus exceeding \$1,300,000. I recommend transferring \$615,000 to five capital reserve funds and the Debt Service Fund to fund essential projects and minimize future tax increases.

Surplus Sources:

Revenue Increases (\$300,000)

- Real estate conveyance fees
- Police court fees and detail cruiser fee revenue
- Fire rescue billing revenue
- Meal & beverage pass-through taxes
- Motor vehicle phase out reimbursement

Expenditure Savings (\$1,010,000)

- Salary and benefit savings from vacancies
- Lower than anticipated legal fees
- Town Council contingency (\$300,000 excess expenditures budgeted)
- Street Lighting procurement and LED conversion return on investment savings

Investment Strategy

Town surplus funds are invested in:

- Liquid money markets (1.4-1.65% average return)
- Short-term certificates of deposit (3.6% average)

Recommended Transfers

Fund	Amount	Purpose
Municipal Planning Reserve	\$ 30,000	FY2026 Comprehensive Plan Funding balance
Capital Equip – Public Works	\$ 50,000	Tractor Loader – FY27 CIP
Capital Equip – Police Dept	\$ 75,000	Annual Fleet Replacement Schedule
Capital Equip – Fire	\$ 75,000	Ladder 1 Replacement (4Yr Funding)
Town Hall Improv Fund	\$ 65,000	Replace thermostats/title floor/Town Clerk Dehumidifier
Total Primary Transfers	\$295,000	

Additional Transfers (if surplus allows)

Fund	Amount	Source Allocation	Purpose
Debt Service Fund	\$300,000	Misc Tax Transfer (#0101-01036)	Future Tax Impact Mitigation
350 th Celebration	\$ 20,000	Misc Tax Transfer (#0101-01036)	Supplies/Expenses associated

ANDREW E. NOTA, TOWN MANAGER
YEAR END RESERVE FUNDS TRANSFERS
June 16, 2026

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 22, 2026 Town Council agenda for consideration.

BE IT RESOLVED that program balances identified below in the 2025-2026 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	\$75,000	Police Depart Cap Equip Repl. Fund
014451*	Public Works	50,000	Public Works Cap Equip Repl. Fund
014610*	Planning Department	30,000	Municipal Planning Reserve Fund
014910*	Fire Department	75,000	Fire Dept Cap Equip Repl. Fund
014420*	Town Hall	65,000	Town Hall Improvement Fund
	Total Expenditure Transfer	295,000	
Object Code	Revenue Description	Transfer Total	Reserve Fund
01036*	Misc Tax Transfer	\$300,000	Debt Service Fund
01036*	Misc Tax Transfer	\$20,000	350 th Celebration
	Total Tax Transfer	\$320,000	
	Total General Fund Transfers	\$615,000	

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.