

Minutes
RTM-Finance and Budget Committee
Special Meeting
Friday, August 17, 2018

PLACE:

Town Hall – Room 119
Meeting Start: 12:12am

F&B MEMBERS PRESENT:

Banks, Carter, Davis, Heitz, Martin, Sload, Von Stuelpnagel, Yarnell

MEMBERS ABSENT:

Duffy, Howe, Mix, Orpanos, Pattelli, Tie, Silsby (Most could not make a daytime workweek meeting and therefore excused from attending)

OTHERS PRESENT:

Jennifer Charneski, Darien Director of Finance, Frank Kemp, RTM TGSA Chair

CALL TO ORDER SPECIAL MEETING

Jack Davis called the RTM F&B Committee meeting to order at 12:12am with a quorum of 8 of 15 members present.

JD stated the purpose of the meeting was to initiate a F&B project reviewing Funds and ordinances relating to F&B. The review of ordinances was requested by RTM TGSA committee.

The multiple fund review is being coordinated and in conjunction with the BOF and Jenn, the Director of Finance and is consistent with the BOF review of the General Fund fund to adopt GASB. Jenn reviewed the memo that is attached to these minutes. Key points are:

- Classifications of funds as unassigned, assigned and committed
- Committed are funds assigned by the RTM and can only be undone by legislative action (the RTM)
- Committed funds are the most restrictive as they can only be used for a specific purpose
- There are “trust” labels on certain funds, the details need to be researched and a determination made if these are actual “trusts”
- Unassigned – unspoken for
- Assigned – planned for but can be changed by the BOF – example is funds within RFNRE capital projects once a project is completed – underspent funds can be moved by the BOF to the RFNRE capital contingency
- Majority of Town funds are unassigned – which is the most favorable for rating agencies

One of the questions regarding ordinances – do we want to modify ordinances that create these accounts? Can we minimize number of accounts, eliminate inactive ones and get the money back to groups that can use them in budgets? In discussion, F&B would like to use these outstanding fund balances prior to taxpayer dollars.

On ordinances, review of ordinances relating to F&B including that F&B will liaison with other RTM committees. Not sure what “liaison” means. MB suggested we might eliminate ordinance.

TS volunteered to review social services funds. Ensure people know that they exist.
MH will review ordinances for fees. Will also look at “trusts”
JD will review sandy fund and others.

A motion was made and seconded to adjourn the meeting at approximately 1:15pm.

Respectfully submitted,
By Jack Davis for Lisa F. Yarnell, Clerk

Attachment to minutes

GENERAL FUND BALANCE POLICY – BOARD of FINANCE – DARIEN

The Darien General Fund Balance (“Fund Balance”) is an important component of our fiscal strategy. It is the intent of the Darien Board of Finance (“BOF”) to maintain Fund Balance at a prudent level as a cushion against potential financial difficulties or shortages.

GASB 54 has certain required Fund Balance classifications:

- The **restricted** classification includes amounts that can be spent only for the specific purposes stipulated by constitution, external resource providers, or through enabling legislation.
- The **committed** classification includes amounts that can be used only for the specific purposes determined by a formal action of the government’s highest level of decision-making authority.
- Amounts in the **assigned** classification are intended for specific purposes but do not meet the criteria to be classified as restricted or committed. In governmental funds other than the general fund, assigned Fund Balance represents the remaining amount that is not restricted or committed.
- **Unassigned** is the residual classification and includes all spendable amounts not contained in the other classifications.

The BOF will regularly review Fund Balance to ensure that assigned, committed and restricted amounts are appropriate, and that any changes are made through BOF resolutions or BOF appropriation recommendations to the Representative Town Meeting (“RTM”) as required.

The BOF believes that Fund Balance, adjusted each year through the budget and mill rate process, should be reserved primarily for special or unanticipated capital projects or expenses.

In terms of minimum funding, unassigned Fund Balance should be maintained at no less than **12%** of budgetary general fund revenues. It is the policy of the BOF to keep Fund Balance above this minimum level except under extraordinary events or in unanticipated situations.

The BOF will review Fund Balance levels and trends at the beginning of each fiscal year’s budget process and recommend RTM appropriations to Fund Balance as needed. Should events occur during a fiscal year that reduce the estimated fiscal year-end unassigned Fund Balance below the targeted minimum, the BOF will recommended supplemental appropriations to the RTM.

Adopted by the Board of Finance – August 17, 2004

Amended by the Board of Finance – July 19, 2005

Amended by the Board of Finance – December 13, 2011

Amended by the Board of Finance – August 21, 2018