

RTM Meeting  
December 14, 2011

**REPRESENTATIVE TOWN MEETING NOTICE**

All Representative Town Meeting Members and inhabitants of the Town of Westport are hereby notified that a meeting of the Representative Town Meeting members will be held at Town Hall, 110 Myrtle Ave., on Wednesday, December 14, 2011, at 8 p.m. for the purposes listed below. If necessary the meeting will reconvene on Thursday, December 15, 2010 to deal with any agenda items not disposed of at the adjournment of the December 14, 2011 meeting.

1. To take such action as the meeting may determine, upon the pending recommendation of the Board of Finance, to establish a new Special Revenue Fund entitled Wakeman Town Farm Special Revenue Fund.
2. To take such action as the meeting may determine, upon the pending recommendation of the Board of Finance, to approve a Fund Balance Policy and Fund Balance Policy Statement for the Town of Westport.

*Hadley C. Rose (det)*  
Hadley C. Rose, Moderator

This is to certify that I mailed a copy of the above notice, properly prepaid, to each Representative Town Meeting Member on Monday, December 5, 2011, and that I caused a copy of said notice to be published in the Westport News in its edition of Friday, December 2, 2011.

*Patricia H. Strauss*  
Patricia H. Strauss, Town Clerk

RESOLUTIONS

(1)

RESOLVED: That upon the recommendation of the Board of Finance, a new Special Revenue Fund entitled Wakeman Town Farm Special Revenue Fund, is hereby established.

(2)

RESOLVED: That upon the recommendation of the Board of Finance, a Fund Balance Policy and Fund Balance Policy Statement for the Town of Westport, are hereby approved.



WESTPORT, CONNECTICUT

GORDON F. JOSELOFF  
First Selectman

approved BOF 12/7/11  
Establish a new fund:  
"Wakeman Town Farm  
Special Revenue Fund"

To RTM 12/14/11

BACK UP MATERIAL  
RTM ITEM # 1

November 16, 2011

Board of Finance  
Town of Westport  
Westport, CT 06880

Dear Board Members:


I hereby respectfully request that the Board of Finance recommend to the Representative Town Meeting the establishment of a Special Revenue Fund for the Wakeman Town Farm, and that all monies held in escrow be immediately transferred to the Wakeman Town Farm Special Revenue Fund.

The mission of the Wakeman Town Farm is to serve the Westport community as an educational demonstration center for sustainable living. The farm will provide Westport citizens with a place to experience hands-on homesteading practices, encompassing time honored and cutting edge methods, such as composting, succession gardening, solar and wind power technologies. A wide array of education programs in agriculture, land stewardship and animal husbandry will serve to inspire the community to unite for the mutual benefit of a health environment and sustainable future.

The Special Revenue Fund will be a self-sustaining enterprise based on revenues from programming and contributions from the community. Attached for your review are the budgets for the Wakeman Town Farm operations. The budgets have been developed by the Wakeman Town Farm Committee. Also attached is the most current bank statement showing the dollars held in the special escrow account.

If additional information is required, please do not hesitate to contact this office. Committee members and I look forward to discussing this request at your Dec. 7 public hearing. Thank you in advance for your consideration.

Sincerely,

  
Gordon F. Joseloff  
First Selectman

GFJ:ps

Attachments

cc: Shelly A. Kassen, Selectwoman  
Wakeman Town Farm Committee Members  
John Kondub, Finance Director

WTF Summary Income/Cash Flow Budget  
 Eight months Remaining in Fiscal Year 2011-2012 and Fiscal Year 2012-2013

	2011-2012 November - June 30th	2012-2013 July 1st - June 30th
WTF Revenues:		
Gross Programming Revenues	\$2,875	\$31,900
Less: Instructor Hourly Wage	\$1,320	\$8,415
Direct Supplies Attributable to Program	\$600	\$5,990
Net Programming Income	955	17,495
Net CSA Management Fee	1,875	1,875
WTF Operation - Net Revenues	\$2,830	\$19,370
Fixed Expenses:		
Farm Stewards	3,000	6,000
Program Director	2,400	4,800
Utilities	3,900	5,800
Non capitalized Repairs & Maintenance	1,050	1,800
Animal Feed and Maintenance	500	1,000
Planting of Gardens - Seeds and Supplies	2,000	3,000
Total Fixed Expenses	\$12,850	\$22,400
WTF Net Profit	-\$10,020	-\$3,030
Fundraising Activities:		
Actual Contributions Received as of Oct. 31, 2011	\$21,166	
Projected Additional Net Fundraising Events	5,950	16,005
Memberships	\$2,188	2,188
Projected Net T-Shirt and Hat Sales	0	\$2,000
Total Net Fundraising Activities	\$29,303	\$20,193
Net Projected Cash Flow	\$19,283	\$17,163
Cumulative Cash Flow	\$19,283	\$36,446
Projected Capital Improvements		
Roof	\$0	\$15,000
Porch	\$0	\$3,000
Green House Conversion and New Green House	\$0	\$10,000
Sustainability Projects		
Solar on New Roof	\$0	\$28,000
Projected Capital Improvements	\$0	\$28,000
Projected Surplus/(Deficit)	\$19,283	\$8,446

WTF Summary Cash Flow Budget

Eight months Remaining in Fiscal Year 2011-2012 and Fiscal Year 2012-2013

	2011-2012 November - June 30th	2012-2013 July 1st - June 30th
Balance of Contributions to Date (October 31st, 2011)	\$ 21,166	
Cash Carryover from 2011-2012 (7 months) to 2012-2013		\$ 19,283
Fixed Expenses:		
Farm Stewards	3,000	6,000
Program Director	2,400	4,800
Utilities	3,900	5,800
Non capitalized Repairs & Maintenance	1,050	1,800
Animal Feed and Maintenance	500	1,000
Planting of Gardens - Seeds and Supplies	<u>2,000</u>	<u>3,000</u>
Total Fixed Expenses	12,850	22,400
Known Contributions less Fixed Expenses	\$8,316	-\$3,117
Net Programming Income	955	17,495
Net CSA Management Fee	<u>1,875</u>	<u>1,875</u>
Net Projected Operating Cash Flow	\$11,146	\$16,253
Fundraising Activities (Nov 2011 through June 2013)		
Fundraising Events (see Fundraising Calendar)	5,950	16,005
Memberships	2,188	2,188
Net T Shirt and Hat Sales	0	2,000
Net Fundraising Activities	<u>8,138</u>	<u>20,193</u>
Total Net Projected Cashflow	\$19,283	\$36,446
Projected Capital Improvements		
Roof	0	\$15,000
Porch	0	\$3,000
Green House Conversion and New Sustainability Projects	0	\$10,000
Solar on New Roof		
Total Projected Capital Improvements	<u>0</u>	<u>\$28,000</u>
Projected Surplus/(Deficit)	19,283	\$8,446

WTF Fundraising Calendar/Community Outreach	Price Per Event/ Session	# of Attendees		Expenses Minimum	Materials		Net Profit	
		Minimum	Maximum		Minimum	Maximum	Min	Max
Spring Festival/ Pancake Breakfasts(April) (egg hunt, pancakes, kid games, vendors, start your own seeds)							5000	7000
Summer - Campfire Night & Story Night	\$5	200 1000	500 2500		300 500		700	2000
Summer Movie night (per movie)	\$5	50 250	200 1000				250	1,000
Farm to Table Dinners - Summer on Grills	\$100	30 3000	60 6000		1500 3000		1500	3000
Yoga at the Farm Number of sessions (Two times per week in mornings at \$10 per session for 8 weeks)	\$10	8 16 1280	15 16 2400	400			880	2000
Ice Cream Social (with John - Frosty the Bear)	\$5	200	500		100 250		100	250
Fall Harvest Festival (early October) (scarecrow making, pumpkin painting, kids games, music, chili, slingshot apples)			7000		500		6500	6500
Centerpieces for Thanksgiving	\$25	5 125	20 500	50	75 450		125	500
Winter holiday event (December) (net 1000) (Wreath making, gingerbread houses, holiday crafts, tree lighting)	\$20	50 1,000	100 2,000	50			950	1,950
Spring Festival/ Pancake Breakfasts(April) (egg hunt, pancakes, kid games, vendors, start your own seeds)							5000	7000
Summer - Campfire Night & Story Night	5	200 1000	500 2500		300 500		700	2000
Summer Movie night (per movie)	5	50 250	200 1000				250	1000
Total Net Fundraising Events through June 30, 2013 (not including fundraising through October 31st 2011)							21,955	34,200
T-Shirt and Hat Sales		4000			2000		2,000	2,000
Friends of Wakeman Farm Membership							4000	4000
Families	\$40	100					375	375
Seniors	\$15	25					375	375
Total Memberships							4375	4375
Projected Net Revenues from Events, Memberships and T-Shirt and Hat Sales							28,330	40,575
Other Community Activities Planned to create awareness and traffic - May or May not have Fundraising Component:								
Reading days throughout summer to build awareness - free to public								
Play days - mommy mornings								
Mini-market (summer Saturdays) vendors								
campfires								
potlucks								
farm tours								
Halloween Event (late October) (net 2000)					pumpkin carving, ghost stories, costume contest, haunted lantern tours			
Summer BBQ (July/August) (net 5000)					food, 'farm' games, farm olympics			

**Programming Budget**

**Saturday Workshops**

Description: Three hour workshops Saturday morning appealing to adults and families - THomesteading, Gardening, food, etc  
 Calendar : 2nd Saturday of month starting in March 2012 and continuing every month through end of FY 2013

**Remaining Fiscal Year 2011-2012**

	Nov-11	Dec-11	Jan-12	Feb-12	Mar-12	Apr-12	May-12	Jun-12	7 months FY 11-12
Revenues:									
Minimum Participants per session					10	10	10	10	40
Price per Participant per week					<u>\$15</u>	<u>\$15</u>	<u>\$15</u>	<u>\$15</u>	<u>\$15</u>
Total Revenues					\$150	\$150	\$150	\$150	\$600
Programming Staff									
# Of Instructors					1	1	1	1	1
# Hours for month					3	3	3	3	3
Instructor's Salary					<u>\$30</u>	<u>\$30</u>	<u>\$30</u>	<u>\$30</u>	<u>\$30</u>
Total Instructors ' salary					90	90	90	90	360
Supplies (Primarily Materials )					<u>25</u>	<u>25</u>	<u>25</u>	<u>25</u>	<u>100</u>
Net Saturday Workshop Programming Income					\$35	\$35	\$35	\$35	\$140

**Remaining Fiscal Year 2012-2013**

	July 2012	Aug 2012	Sept 2012	Oct 2012	Nov 2012	Dec 2012	Jan 2013	Feb 2013	Mar 2013	April 2013	May 2013	June 2013	12 months FY 12-13
Revenues:													
Minimum Participants per session	10	10	10	10	10	10	10	10	10	10	10	10	120
Price per Participant per week	<u>\$15</u>	<u>\$15</u>	<u>\$15</u>	<u>\$15</u>	<u>\$15</u>	<u>\$15</u>	<u>\$15</u>	<u>\$15</u>	<u>\$15</u>	<u>\$15</u>	<u>\$15</u>	<u>\$15</u>	<u>\$15</u>
Total Revenues	\$150	\$150	\$150	\$150	\$150	\$150	\$150	\$150	\$150	\$150	\$150	\$150	\$1,800
Programming Staff													
# Of Instructors	1	0	0	0	0	0	0	0	0	0	0	0	1
# Hours for month	3	3	3	3	3	3	3	3	3	3	3	3	3
Instructor's Salary	<u>\$30</u>	<u>\$30</u>	<u>\$30</u>	<u>\$30</u>	<u>\$30</u>	<u>\$30</u>	<u>\$30</u>	<u>\$30</u>	<u>\$30</u>	<u>\$30</u>	<u>\$30</u>	<u>\$30</u>	<u>\$30</u>
Total Instructors ' salary	\$90	\$90	\$90	\$90	\$90	\$90	\$90	\$90	\$90	\$90	\$90	\$90	\$1,080
Supplies (Primarily Materials )	<u>\$20</u>	<u>\$20</u>	<u>\$20</u>	<u>\$20</u>	<u>\$20</u>	<u>\$20</u>	<u>\$20</u>	<u>\$20</u>	<u>\$20</u>	<u>\$20</u>	<u>\$20</u>	<u>\$20</u>	<u>\$20</u>
Net Saturday Workshop Programming Income	\$40	\$40	\$40	\$40	\$40	\$40	\$40	\$40	\$40	\$40	\$40	\$40	\$240

Programming Budget

Environmental Boot Camp Program Budget

Description: Intensive hands-on field experience covering all facets of Environmental Science middle schoolers entering High School in 1-2 years

Calendar : 4 Days a week 4 hours per day: last week of July 1, 1st week of August

Remaining Fiscal Year 2011-2012	Dec-11	Jan-12	Feb-12	Mar-12	Apr-12	May-12	Jun-12	FY 11-12
								7 months
Revenues:								
Minimum Participants per session							-	
Number of Sessions per Month								
Price per Participant per week							<u>\$400</u>	<u>\$400</u>
Total Revenues							\$0	\$0
Programming Staff								
# Of Instructors								1
# Hours for month								-
Instructor's Salary							<u>\$30</u>	<u>\$30</u>
Total Instructors ' salary							\$0	<u>\$0</u>
Supplies (Primarily Materials )								<u>\$0</u>
Net Programming Income							\$0	\$0

Remaining Fiscal Year 2012-2013	Jul-12	Aug-12	Sep-12	Oct-12	Nov-12	Dec-12	Jan-13	Feb-13	Mar-13	Apr-13	May-13	Jun-13	FY 11-12
													12 months
Revenues:													
Minimum Participants per session	10	10	-	-	-	-	-	-	-	-	-	-	
Number of Sessions per month	1	1											
Price per Participant per week week	<u>\$400</u>	<u>\$400</u>	<u>\$400</u>	<u>\$400</u>	<u>\$400</u>	<u>\$400</u>	<u>\$400</u>	<u>\$400</u>	<u>\$400</u>	<u>\$400</u>	<u>\$400</u>	<u>\$400</u>	\$400
Total Revenues	\$4,000	\$4,000	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$8,000
Programming Staff													
# Of Instructors	1	1	-	-	-	-	-	-	-	-	-	-	2
# Hours for month	16	26											
Instructor's Salary	<u>\$30</u>	<u>\$30</u>	<u>\$30</u>	<u>\$30</u>	<u>\$30</u>	<u>\$30</u>	<u>\$30</u>	<u>\$30</u>	<u>\$30</u>	<u>\$30</u>	<u>\$30</u>	<u>\$30</u>	
Total Instructors ' salary	\$480	\$780	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$1,260
Supplies (Primarily Materials )	<u>\$3,000</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$3,000</u>
Net Eco Boot Camp Programming Income	\$520	\$3,220	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$3,740



Programming Budget

Middle School Apprentice Program/Farm Club

Description: Immersion into all aspects of the farming/ gardening experience , animal husbandry, sustainable living and business management management  
 Calendar: Tuesday throu Thursday in the Summer (9am to 12pm). 30 Thursdays (3pm to 5pm) during the school year. Some Saturdays also

Remaining Fiscal Year 2011-2012

	Nov-11	Dec-11	Jan-12	Feb-12	Mar-12	Apr-12	May-12	Jun-12	7 months FY 11-12
Revenues									
Minimum Participants per session					13	13	13	13	13
Price per Participant per session					\$ 175	\$ -	\$ -	\$ -	\$ 175
Total Revenues					\$2,275	\$0	\$0	\$0	\$2,275
Programming Staff									
# Of Instructors					0	0	0	0	0
# Hours for month					6	8	10	8	32
Instructor's Salary					\$ 30.00	\$ 30.00	\$ 30.00	\$ 30.00	\$ 30.00
Total Instructors ' salary					180	240	300	240	960
Supplies (Primarily Materials )					<u>500</u>				<u>500</u>
					1595	-240	-300	-240	815

Remaining Fiscal Year 2012-2013

	July 2012	Aug 2012	Sept 2012	Oct 2012	Nov 2012	Dec 2012	Jan 2013	Feb 2013	Mar 2013	April 2013	May 2013	June 2013	12 months FY 12-13
Revenues													
Minimum Participants per session													
Price per Participant per session													
Total Revenues	\$ 200	\$ -	\$ 125	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 175	\$ -	\$ -	\$ -	\$ -
	\$2,600	\$0	\$1,625	\$0	\$0	\$0	\$0	\$0	\$2,275	\$0	\$0	\$0	\$6,500
Programming Staff													
# Of Instructors													
# Hours for month	1	1	1	1	1	1	1	1	1	1	1	1	12
Instructor's Salary	23	20	8	8	6	4	0	4	6	8	10	8	105
Total Instructors ' salary	\$ 30.00	\$ 30.00	\$ 30.00	\$ 30.00	\$ 30.00	\$ 30.00	\$ 30.00	\$ 30.00	\$ 30.00	\$ 30.00	\$ 30.00	\$ 30.00	
	690	600	240	240	180	120	0	120	180	240	300	240	3150
Supplies (Primarily Materials )	<u>1500</u>								<u>500</u>				
	410	-600	1385	-240	-180	-120	0	-120	1595	-240	-300	-240	2000
													1350

11/16/2011 11:33 AM

Programming Budget

Homesteaders: Kindergarten through 2nd Grade

Description: Simple farming/gardening activities, farm animal care, crafts, games & simple food preparation geared to age group

Calendar: Three weekly sessions - July 9th, July 16th and July 23rd. Monday through Friday from 9:00 through 12:00am.

Remaining Fiscal Year 2011-2012	Nov-11	Dec-11	Jan-12	Feb-12	Mar-12	Apr-12	May-12	Jun-12	7 months FY 11-12
<b>Revenues</b>									
Minimum Participants per session					0	0	0	0	0
Price per Participant per session					\$ -	\$ -	\$ -	\$ -	\$ -
<b>Total Revenues</b>					\$0	\$0	\$0	\$0	\$0
<b>Programming Staff</b>									
# Of Instructors					0	0	0	0	0
# Hours for month					0	0	0	0	0
Instructor's Salary					\$ 30.00	\$ 30.00	\$ 30.00	\$ 30.00	\$ 30.00
<b>Total Instructors ' salary</b>					0	0	0	0	0
Supplies (Primarily Materials )					0	0	0	0	0

Remaining Fiscal Year 2012-2013	July 2012	Aug 2012	Sept 2012	Oct 2012	Nov 2012	Dec 2012	Jan 2013	Feb 2013	Mar 2013	April 2013	May 2013	June 2013	12 months FY 12-13
<b>Revenues</b>													
Minimum Participants per weekly session	8	0	0	0	0	0	0	0	0	0	0	0	0
Sessions per month	3	0	0	0	0	0	0	0	0	0	0	0	0
Price per Participant per session	\$ 300	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
<b>Total Revenues</b>	\$7,200	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$7,200
<b>Programming Staff</b>													
# Of Instructors	1	0	0	0	0	0	0	0	0	0	0	0	1
# Hours for month	45	0	0	0	0	0	0	0	0	0	0	0	45
Instructor's Salary	\$ 30.00	\$ 30.00	\$ 30.00	\$ 30.00	\$ 30.00	\$ 30.00	\$ 30.00	\$ 30.00	\$ 30.00	\$ 30.00	\$ 30.00	\$ 30.00	
<b>Total Instructors ' salary</b>	1350	0	0	0	0	0	0	0	0	0	0	0	1350
Supplies (Primarily Materials )	300												300
	5550	0	0	0	0	0	0	0	0	0	0	0	5550

Programming Budget

Farmhands 3rd through - 5th Grade

Description: Simple farming/gardening activities, farm animal care, crafts, games & simple food preparation geared to age group

Calendar: Three Weekly Sessions- July 30th, Aug 6th and August 13th from 9:00 through 12:30am

Remaining Fiscal Year 2011-2012

	Nov-11	Dec-11	Jan-12	Feb-12	Mar-12	Apr-12	May-12	Jun-12	7 months FY 11-12
Revenues									
Minimum Participants per session									
Price per Participant per session					0	0	0	0	0
Total Revenues					\$ -	\$ -	\$ -	\$ -	\$ -
					\$0	\$0	\$0	\$0	\$0
Programming Staff									
# Of Instructors									
# Hours for month					0	0	0	0	0
Instructor's Salary					0	0	0	0	0
Total Instructors ' salary					\$ 30.00	\$ 30.00	\$ 30.00	\$ 30.00	\$ 30.00
					0	0	0	0	0
Supplies (Primarily Materials )					0	0	0	0	0
					0	0	0	0	0

Remaining Fiscal Year 2012-2013

	July 2012	Aug 2012	Sept 2012	Oct 2012	Nov 2012	Dec 2012	Jan 2013	Feb 2013	Mar 2013	April 2013	May 2013	June 2013	12 months FY 12-13
Revenues													
Minimum Participants per weekly session	8	8	0	0	0	0	0	0	0	0	0	0	0
Sessions Per Month	1	2											
Price per Participant per session	\$ 350	\$ 350	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Total Revenues	\$2,800	\$5,600	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$8,400
Programming Staff													
# Of Instructors	1	1	1	1	1	1	1	1	1	1	1	1	12
# Hours for month	17.5	35	0	0	0	0	0	0	0	0	0	0	52.5
Instructor's Salary	\$ 30.00	\$ 30.00	\$ 30.00	\$ 30.00	\$ 30.00	\$ 30.00	\$ 30.00	\$ 30.00	\$ 30.00	\$ 30.00	\$ 30.00	\$ 30.00	
Total Instructors ' salary	525	1050	0	0	0	0	0	0	0	0	0	0	1575
Supplies (Primarily Materials )	150	300											450
	\$2,125	\$4,250	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$6,375



## WESTPORT CONNECTICUT

FINANCE DEPARTMENT

110 MYRTLE AVENUE - ROOM 313  
WESTPORT, CONNECTICUT 06880

Approved BOF 12/7/11  
"Fund Balance Policy"  
and  
"Fund Balance Policy Statement"

To RTM 12/14/11  
November 28, 2011

Hon. Gordon F. Joseloff  
First Selectman  
Town of Westport

Dear Mr. Joseloff:

The Finance Department respectfully requests that the following item be placed on the December 7, 2011 agenda of the Board of Finance:

"Upon the recommendation of the Finance Director and reviewed by the firm of McGladrey & Pullen, a fund balance policy and policy statement is hereby approved by the Board of Finance. It is further recommended that this policy and this statement be approved by the Representative Town Meeting."

These actions by the Board of Finance and Representative Town Meeting are required in order for this municipality to produce "unqualified" financial statements for the fiscal year ended June 30, 2011, and subsequent years, that will comply with the Government Accounting Standards Board (GASB) Statement 54.

Our office has enclosed copies of the proposed "Fund Balance Policy" and "Fund Balance Policy Statement" for your review.

Please contact this office if there are any questions.

Sincerely,

John Kondub  
Finance Director

JK:pjc  
enclosures

Approved for submission to the  
12/07/2011 Board of Finance Meeting

  
Gordon F. Joseloff, First Selectman

## Town of Westport, Connecticut

### GASB 54

### FUND BALANCE POLICY

The purpose of establishing a policy on the fund balance in the General Fund is to provide a guideline for budgeting decisions and to insure that adequate reserves are established to fund operations by providing sufficient working capital and a margin of safety to address local and regional emergencies without borrowing. The General Fund is the primary operating fund of the Town of Westport for its non-utility related operations. The Town's Unassigned General Fund Balance is a surplus of funds which have accrued from unexpended operating budgets and unanticipated excess revenues.

Unassigned Fund Balance may be "committed" for a specific purpose by formal action of the Board of Finance. An example of Committed Fund Balance would be an appropriation for the future year's budget as determined when setting the mill rate. Amendments and modifications to the Committed Fund Balance must also be approved by formal action of the Board of Finance. Authority to "assign" fund balance for specific purposes is delegated to the Finance Director. Assigned Fund Balance is an expression of intent, such as for encumbrances.

For purposes of fund balance classification, expenditures are to be spent from Restricted Fund Balance first, followed in order by Committed Fund Balance, Assigned Fund Balance, and lastly, Unassigned Fund Balance. The Finance Director has the authority to deviate from this policy if it is in the best interest of the Town.

In addition, the Town of Westport desires to maintain its current credit rating. Rating agencies are concerned about a government's creditworthiness and the level of the General Fund fund balance is part of their evaluation. The Unassigned Fund Balance provides a measure of financial stability to bond holders and credit rating agencies, which offers the potential for lower interest costs on long-term financings.

There is no formula for determining an appropriate fund balance. Items to consider include the timing of revenue collections, the local and national economic environment, the volatility of the major revenue sources, and the degree of protection desired to mitigate current and future financial risks.

The Town of Westport recognizes the importance of maintaining an appropriate level of fund balance to provide the required resources to meet operating needs, to allow for unforeseen needs of an emergency nature, and to be able to respond to unanticipated opportunities. The Finance Director is responsible for evaluating the Town's operating characteristics, diversity of tax base, reliability on non-tax revenue sources, working capital needs, impact on bond rating, local and economic outlooks, emergency and disaster risk and other contingent issues. Based on this information, the Finance Director will provide recommendations for a targeted level for the fund balance of the General Fund for the Town of Westport.

Any excess funds may be utilized for other municipal fiscal purposes, such as additional capital improvement needs or debt reduction.

If spending in designated circumstances has reduced unassigned fund balance to a point below the targeted minimum level, it must be replenished. Attaining the target fund balance level may be achieved by adding a line item to the annual budget for the sole purpose of building fund balance, if the Board of Finance so chooses.

Fund Balance Components:

- a) Non-spendable - Resources not in spendable form or that are legally required to remain intact.
- b) Restricted - Constraint imposed or legally enforceable by external parties. For example: non-reimbursable state and federal grants, unspent bond proceeds.
- c) Committed - Represent internal constraints and can only be used for specific purposes pursuant to formal action of the government's highest level of formal action. Once committed, amounts cannot be used for any other purpose unless the same decision-making authority lifts constraint. For example: appropriations to offset future year budget.
- d) Assigned - Constraint is expression of intent by governing body or authorized official. For example: amounts reserved through encumbrances.
- e) Unassigned - No constraints.

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FUND BALANCE POLICY STATEMENT

Fund Balance measures the net financial resources available to finance expenditures of future periods. The Town's Unassigned General Fund Balance will be maintained to provide the Town with sufficient working capital and a margin of safety to address local and regional emergencies without borrowing. The Unassigned General Fund Balance may only be appropriated by approval of the Board of Finance and, if necessary, by review and resolution of the Representative Town Meeting (RTM).

Fund Balance of the Town may be committed for a specific purpose by formal action of the Board of Finance. Amendments or modifications to the Committed Fund Balance must also be approved by formal action of the Board of Finance with approval of the RTM. Committed Fund Balance will not lapse at fiscal year-end. The Board of Finance delegates the authority to assign fund balance for a specific purpose, approved by the Board, to the Finance Director.

For purposes of fund balance classification, expenditures are to be spent from Restricted Fund Balance first, followed in order by Committed Fund Balance, Assigned Fund Balance and lastly, Unassigned Fund Balance. The Finance Director has the authority to deviate from this policy if it is in the best interest of the Town; any deviation from the stated policy will be reported to the Board of Finance at the earliest possible time.

The Board of Finance recognizes that good fiscal management comprises the foundational support of the entire Town. To make that support as effective as possible, the Board intends to maintain an Unassigned General Fund Balance of 9-11% of the Town's general fund annual operating expenditures.

This policy will be reviewed annually by the Board of Finance.