

Town of Needham
Finance Department

Memorandum

To: Kate Fitzpatrick, Town Manager

From: David Davison, Assistant Town Manager/Director of Finance

CC: Finance Committee

Date: October 4, 2022

Re: Other Available Funds

There are several sources of revenue used to fund appropriations. One source is called Other Available Funds. Other Available Funds are monies that are on deposit, known and accounted as opposed to estimated, and are reserved for future appropriation. Sources of these funds include items such as Overlay Surplus, Debt Exclusion Offsets, and unspent balances of prior capital and special warrant articles. As a general rule, capital projects that have been completed, with no pending claims, or subsequent actions, and that have been released by the Department/Committee charged with managing the project, may be used as a funding source for a future appropriation.

Projects that are financed by debt (for which the entire authorization was not borrowed because it was not required,) can be presented to Town Meeting to rescind. Capital projects which have a remaining cash balance of \$5,000 or less may be closed out to Fund Balance and become part of the free cash/retained earnings certified in the follow fiscal year. Capital projects that were funded by cash and have larger cash balances are usually reserved for future appropriation so not to abnormally inflate General Fund surplus. As a general rule, we try to match the proposed use of the funds to a similar purpose for which the funds were originally appropriated, but this is not always possible. If the proceeds were from borrowed monies, then by law, the funds must be used for a similar purpose, or in limited circumstances to pay debt service. The table on the next page shows the articles that are proposed to be funded in whole or part by Other Available Funds.

October 24, 2022 Special Town Meeting

6	Transportation Improvement Fees	\$9,507.40	\$9,507.40	\$9,507.40	Transportation Infrastructure Fund
TOTAL				\$9,507	

9	Ridge Hill Buildings Demolition Supplement	\$225,000	\$225,000	\$225,000	Overlay Surplus
TOTAL				\$225,000	

10	Emery Grover Renovation Supplement	TBD	\$13,000	\$13,000	Article 32 of the 2018 ATM (School Telephone Replacement)
			\$32,000	\$32,000	Article 6 of the 2018 May Special (Mitchell School Modular Classrooms)
			\$145,000	\$145,000	Article 1 of the 2019 January Special (Mitchell School Modular Classrooms)
			\$150,000	\$150,000	Article 21 of the 2020 ATM (Eliot School Technology Room Conversion)
			\$1,000,000	\$1,000,000	Overlay Surplus
TOTAL				\$1,340,000	