

Agenda
Town Council Regular Meeting
Wednesday, December 04, 2024 at 8:00 AM
Town Hall Green Room

1. Pledge
2. Visitors
3. Approval of Minutes – November 20, 2024
4. Appointments/Reappointments
Bob Bruch – Town Historian for a term until January 2030
5. Information Technology Department Update
6. Update Fund Balance Policy
7. 2025 Town Council Meeting Calendar
8. Town Manager’s Report
9. Chairman’s Report
10. Council Discussion
11. Town Council Committee Liaison Reports
12. Adjourn

TOWN OF CLINTON FUND BALANCE POLICY

Purpose:

This policy will insure the Town maintains a prudent level of financial resources to protect against reducing service levels or raising taxes and fees because of temporary revenue shortfalls or unanticipated one-time expenditures.

Background:

Establishing a policy on the fund balance in the General Fund provides a guideline for budgeting decisions and to ensure that adequate reserves are maintained to fund operations by providing sufficient working capital and a margin of safety.

In addition, the Town of Clinton 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.

The General Fund is the primary operating fund of the Town. The Town's Unassigned 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 Town Council. 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 the Town Council.

Fund Balance Definitions:

Fund balance is the difference between the Town's assets (cash, short-term investments, and receivables) expected to be available to finance operations in the immediate future and its liabilities.

Fund balance is initially characterized as being restricted and unrestricted. Unrestricted Fund Balance is calculated as follows:

$$\begin{array}{r} \text{Total Fund Balance} \\ \text{Less: Non-spendable Fund Balance} \\ \text{Less: } \underline{\text{Restricted Fund Balance}} \\ \text{= Unrestricted Fund Balance} \end{array}$$

Non-spendable Fund Balance – Resources not in spendable form (such as inventory, prepaid items) or are legally required to remain intact (an endowment fund).

Restricted Fund Balance – This category presents amounts that can be spent only for specific purposes because of enabling legislation or because of constraints that are externally imposed by creditors, grantors, contributors or the laws or regulations of other governments.

Committed Fund Balance – Represent internal constraints and can only be used for specific purposes determined by a formal action by the Town Council. Commitments may be established, modified or rescinded only through resolutions approved by the Town Council.

Assigned Fund Balance – This category presents amounts that do not meet the criteria to be classified as restricted or committed but are intended to be used for specific purposes.

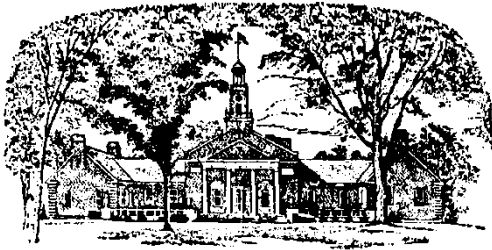
Unassigned Fund Balance – No constraints.

Policy:

The Town of Clinton 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. After 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, the Town establishes the following goals regarding the Fund Balance:

- The level of unassigned fund balance that the Town strives to maintain is an amount no less than 20% of the Town's general fund budget with the intent of the Town to aim for an amount equal to two months of general fund operating expenses from the current operating budget.
- Any excess funds may be utilized for municipal fiscal purposes, such as capital improvement needs or to take advantage of opportunities that would have a positive impact for the Town of Clinton.
- If Unassigned Fund Balance falls below the targeted minimum level, it should be replenished by way of a plan developed through the budget process.
- Exception to this policy may be considered for an unassigned fund balance less than 15% if funds are used to support grant opportunities with the expectation of full reimbursement of the Town's appropriation within a specified period of time (such as the end of a fiscal year).
- In accordance with prudent budgeting practices, the Unassigned Fund Balance will not be used to offset normal operating expenditures.

Town Council Approval Date: December 04, 2024



Town of Clinton
54 East Main Street
Clinton, Connecticut 06413

CLINTON TOWN COUNCIL 2025 MEETING CALENDAR

The Town Council will meet on the first Wednesday of every month at 8:00 am and the third Wednesday at 7:00 pm in the Green Room.

2025

January 08 8:00 am
January 22 7:00 pm

February 05 8:00 am
February 19 7:00 pm

March 05 8:00 am
March 19 7:00 pm

April 02 8:00 am
April 16 7:00 pm

May 07 8:00 am
May 21 7:00 pm

June 04 8:00 am
June 18 7:00 pm

July 02 8:00 am
July 16 7:00 pm

August 06 8:00 am
August 20 7:00 pm

September 03 8:00 am
September 17 7:00 pm

October 01 8:00 am
October 15 7:00 pm

November 05 8:00 am
November 19 7:00 pm

December 03 8:00 am
December 17 7:00 pm

2026

January 07 8:00 am *
January 21 7:00 pm *

2nd and 4th Wed. due to holiday