

## Financial Advisory Committee Report to the March 2017 Town Board

The Financial Advisory Committee (FAC) met on Thursday, 8 March, as scheduled. Attending were Arthur McGuire, Linda Swartz and Joyce Thompson. Susan Benton will return for the April meeting.

The FAC audited the February financial papers and found no errors. Because there was no February FAC meeting, the January financial audit was conducted by only one person so as a partial confirmation of that work, the committee conducted a check of January deposits and no errors were found.

The Annual Update Document (AUD) was prepared by the Accountant for the Town and filed by the Supervisor at the end of February. The AUD provides the information needed to assist in the annual review of the town's Five-year Financial Plan. The FAC will conduct that review at the April FAC meeting. In light of the existing bond payments running until 2031, questions to be considered are:

- 1) What is an acceptable level for the General Fund's Fund Balance, and
- 2) What items might require major funding?

The AUD also gives us the official Beginning 2017 Fund Balance numbers for the General and Highway Funds. Based on that information and February revenues and expenses, the first 2017 Estimated Fund Balance Impact Report was generated. It is a guide for investment decisions for both funds. This report will be updated quarterly or as needed for purchase decisions.

### **Fund Balance Report (February):**

**The General Fund Balance** begins 2017 with \$325,478 and no deductions are planned for 2017. The goal for this fund is to build it up to a more comfortable level over several years, beginning with the 2017 budget.

**The Highway Fund Balance** for January 2017 is \$855,636. Budgeted deductions include payment for the second new 5-ton truck with wing plow (authorized in 2016) and budget allocations of \$49,737 in addition to an \$185,000 emergency base. Purchase of a used paver for \$9,000 is also under consideration. Taking all of the above deductions, this fund would have \$370,642 without CHIPS and \$517,823 with CHIPS at the end of the year without additional purchases.

The town can consider using some of those funds for equipment and road repairs. According to the established Highway Capital Plan, the next item to be replaced is a tractor to take on the work of the current one dating from 1991. Estimates should be sought as soon as possible so that it might be available in time for the mowing season.

Respectfully submitted,

Joyce Thompson, Chair  
Financial Advisory Committee  
13 March 2017