

DRAFT
Weston Board of Finance
Fund Balance Policy Sub-Committee
Special Meeting
November 4, 7:30PM
Meeting Held Remotely

BOF Chairman Michael Imber called the meeting to order at 7:31pm. Subcommittee members Theresa Brasco and Amy Gare in attendance.

Discussion of Weston Fund Balance Policy vs. GFOA Best Practices Analysis.

Mr. Imber reviewed the Weston Fund Balance policy from 2011 and compared key elements to the GFOA best practices. Areas in the 2011 policy discussed were:

- Measure used will be available fund balance as a % of current yr budgeted expenditures. GFOA recommends to maintain unrestricted budgetary fund balance in general fund, equates to 16.67% of expenditures.
- BOF annual review of town fiscal to determine appropriate general fund level. Practice that has not been done.
- Use of surplus fund balance. GFOA recommends against using available fund balance to close up deficits in the budget.
- Board delegates authority to assign fund balance only for encumbrances to the Town Administrator or Finance Director. Encumbrances language unclear by subcommittee, language interpretation discussed and clarification needed
- BOF will endeavor to keep the Unassigned fund balance at a level adequate to maintain AAA rating. Appropriate levels to maintain AAA and factors discussed. Language needs to be clear.
- Restricted and unrestricted funds discussion – is consistent with GFOA. Weakness discussed – how to restore balance and over what period of time?
- Weaknesses in 2011 policy discussed.

Discussion regarding update on comparable town analysis

An update was given by Ms. Brasco on the current status of a comparable town analysis. Ms. Brasco is still adding to the list of towns and has cross-referenced fund balance policies with the Debt Management subcommittee and additionally is looking at some smaller towns (AAA). Ms. Brasco will prepare a side-by-side comparison of AAA towns and add potential elements of the fund balance policy for TOW. Ms. Brasco discussed the need to develop a policy that is workable, functional and easy to understand and comply with.

Discussion/decision on the approval of minutes from the October 21st subcommittee meeting

October 21st minutes approved. All in favor.

Discussion regarding next meeting agenda

1. Comp analysis of key elements of other fund policies – Theresa Brasco
2. Start crafting framework of the policy/draft – Amy Gare
3. Discussion on AAA towns that recently issued debt (past 5 years). Review of fund balance ratio before issuance and after.

Adjourn. Motion to adjourn made by Ms. Brasco, seconded by Ms. Gare. Meeting adjourned at 8:25pm.

Respectfully submitted,
Shawn Amato