

## 12-01-2021 Town Council Meeting Responses to Council Questions

### **ITEM #2: FY 2021 Audit Results & Financial Update**

**Council Question:**

To clarify but is the recommendation for fund balance to reduce the amount available to appropriate from \$16.5 M to \$4.5 M? Or did I misunderstand that?

**Staff Response:**

*The amount of fund balance that the Town can appropriate for use (over the 22% General Fund target) is \$7,926,620. This is computed as:*

*\$20,989,439 Total unassigned fund balance (35.3%)*

*(13,062,819) Target unassigned fund balance (22%)*

*\$ 7,926,620*

*The staff recommendation is to reduce the amount Council considers appropriating from the amount available of \$7.9M to \$4.5M so that the Town does not fall below the 22% target fund balance at the end of FY 2022. This recommendation accounts for several extenuating factors in FY 2021, including much lower total expenditures due to budget cuts and higher than normal lapsed salary savings.*

**Council Question:**

Is this a good time to share an update on debt capacity and timing/\$ amounts available for potential future bonds?

**Staff Response:**

*Davenport & Associates, the Town's financial advisors, along with Town staff will provide an update on debt capacity and capital project funding options at the Council Retreat.*