

# Recreation Revolving Account

## Article 9

## Motion 1

# *Recreation Revolving Funds 101*

## **53D Massachusetts Parks & Recreation Revolving Fund**

- Current Recreation Department program fund
- One time authorization by Town Meeting Principal and interest are expended by Rec
- Per regulation, funds are only for Recreation & Park services; cannot be used to pay full time staff;
- Only 10K can carry over
  - Funded by program carryforward - historically

## **53E 1/2 Revolving Fund**

- Authorized annually by Town Meeting
- No ceiling on spending limit
- Carry forward to next FY
- Cannot pay full time staff from this account unless benefits are also paid from fund.

# *Revolving Fund Justification*

## **Current 53 D Revolving Fund**

- Surplus is finalized on June 30
- Challenging to forecast surplus until EOY
- “Last minute” EOY spending of surplus
- Not a “True” Revolving Fund
  - Fund starts with carryforward

## **Change to 53 E ½**

- Allows Rec to be strategic on how we plan financially
  - No more June spending
- More transparency on surplus spending:
  - How funds will be spent discussed during budget process
- Creation of capital program with no/less cost to Town
- Potential funding source for:
  - Improve and increase of current/new special events
  - Fund free programming: Teen Center, Middle School, “Pop Up “ programs, Morses Pond
  - Assist other Departments who service Rec – FMD, DPW, Parks, IT

# *Revolving Fund Transition Plan*

## **Transition Mechanics**

- 53E1/2 Fund **MUST** be self-supporting fund through program receipts
- Initial Funding of 53E1/2 **CANNOT** come from Town Meeting Appropriation
- Concurrent operation of 53D and 53E1/2 is **prohibited**

## **Transition Plan**

- Through June 30, 2025 – All fees collected deposited in existing 53D fund
  - At year end all remaining funds will go to General Fund and will flow to Free Cash.
- July 1 and after – All fees directed to new 53E1/2 Fund

## **July 1, 2025 - Funds Available**

- One-Time appropriation of **\$400,000 from Free Cash** to separate expense line item for Recreation Department to fund programs where fees were collected under 53D account.
- When \$400,000 is expended, all program expenditures moving forward will go through 53E1/2 Account.

*Thank You*



*Questions / Thoughts?*