

BOARD OF ALDERMEN

ITEM NO. B(3)

AGENDA ITEM ABSTRACT MEETING DATE: December 18, 2001

TITLE: A Request to Adopt a Budget Ordinance

DEPARTMENT: Management Services	PUBLIC HEARING: YES ___ NO <u>x</u>
ATTACHMENTS: Attachment A: Budget Ordinance	FOR INFORMATION CONTACT: L. Bingham Roenigk, 918-7300

PURPOSE:

A budget amendment is required to distribute pay plan adjustments approved in the FY01-02 budget on July 1 and to appropriate funds from reserved fund balance set aside for projects, purchase orders, and contractual commitments that remained unperformed at the end of the year in FY00-01.

INFORMATION

At year-end, the Town is required by state statute to reserve a portion of fund balance for outstanding purchase orders for which all of the goods or services have not been received or performed. Following the audit, the Town appropriates fund balance to cover the cost of these purchase orders. The annual audit report shows that \$281,402 was reserved for encumbrances.

The Board also authorized the Town Manager, on June 19, 2001, to set aside funds for uncompleted projects totaling \$262,239; these funds were also set aside in fund balance at June 30, 2001 to be appropriated in this fiscal year budget following the audit. Of that total, \$230,500 is for future debt, Brewer Lane Signal Crossings, and the Hanna Street sidewalk project, which shall be transferred to the capital reserve fund for future use.

In an effort to consolidate all funds planned for future debt, the \$40,000 approved for debt service in the FY01-02 budget shall also be transferred to capital reserve fund for use at the time debt is incurred. With this contribution, the Town will have set aside a total of \$232,500 to finance debt service for future capital projects.

ADMINISTRATION'S RECOMMENDATION

Approve the budget ordinance appropriating funds for prior year encumbrances, reserves, and pay plan adjustments approved in the FY01-02 budget.