

BOARD OF ALDERMEN

ITEM NO. A(2)

AGENDA ITEM ABSTRACT

MEETING DATE: June 22, 2004

TITLE: Request to Approve Designation of Fund Balance for FY2003-04 Budget Items Not Yet Spent or Encumbered

DEPARTMENT: Management Services	PUBLIC HEARING: YES ____ NO <u>x</u>
ATTACHMENTS: A: Resolution Reserving Fund Balance	FOR INFORMATION CONTACT: L. Bingham Roenigk, 918-7300

PURPOSE

The Town has identified several projects totaling \$20,851 within the FY2003-04 general fund budget whereby funds approved by the Board have not been spent but will be needed when the projects are brought to fruition and a vendor is identified to purchase the service or item. The funds, if not spent or reserved for next year, will lapse to undesignated fund balance within the General Fund at June 30, 2004. The Board is requested to set aside these funds for the upcoming year by designating fund balance for appropriation when needed in the upcoming fiscal year.

INFORMATION

Funds for budgeted projects or commitments made by the Board, if not spent, will accrue to undesignated fund balance. Thus, Management Services requests departments to identify all projects that are not completed so that the funding for all unspent budgeted items at year-end are set aside and are available at a future date for appropriation when needed. This prevents the undesignated portion (uncommitted cash) of the General Fund balance from appearing artificially high in the audit report. This agenda item is a statement of the Board's intent to designate fund balance for the budget items identified on the attached spreadsheet (Attachment A).

The projects are identified below:

Traffic Calming Devices or Other Suitable Alternatives: The FY03-04 budget set aside \$4,500 for traffic calming devices. However, no funds have been spent to date. The Board indicated at its June 15 board meeting that no traffic calming devices be considered via petition until the holistic review of options for lowering traffic speed are considered and adopted. Town staff recommends reserving these funds in the event that there is a cost for options considered in the upcoming year.

Fire Department Renovations - The remainder of the funds, \$1,264, shall be used to finish various small station renovations.

Bolin Forest Sidewalk - \$11,700 in local funding is remaining in this project budget and needs to be set aside to complete construction in the upcoming year.

Music Festival - \$3,387 in unexpended funds remain from the Music Festival budget. The Recreation Department wishes to set aside these funds in support of the event in the upcoming year.

ADMINISTRATION'S RECOMMENDATION

The Board is requested to approve the attached resolution designating fund balance for the items requested.