

BOARD OF ALDERMEN

ITEM NO. B(2)

AGENDA ITEM ABSTRACT

MEETING DATE: May 17, 2005

TITLE: A Request to Adopt a Budget Amendment

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

PURPOSE:

The Board is requested to approve a budget amendment to appropriate and transfer funds for various operating town expenses in the General Fund, Capital Reserve Fund and Revolving Loan Fund.

INFORMATION

The Town has numerous budget amendments that are needed to appropriate funds for conducting town business. The following list is a description of the activities funded:

Deferred Revenues: Occasionally, the town will receive grants or donations for which funds have not yet been spent. At year ending June 30, 2004, \$14,839 was set aside for use in the current fiscal year. Of this total, \$10,761 represents Department of Justice block grants for the Police Department that are used to buy equipment. The remaining funds represent donations to the Recreation department for enhancements to the Century Center.

Revolving Loan Fund: Annually, this fund is reconciled following the annual audit and is updated to reflect the current status of loans. Due to interest earnings and loan repayments, the overall budget for the Revolving Loan Fund is increasing by \$77,262, for a total of \$1,089,248. The unexpended budgeted reserve available for loans is increased by this same amount to \$273,648. This amount will be reduced by \$35,000 with the FY05-06 budget ordinance appropriating funds for the economic development consultant.

Capital Reserve Fund: A budget amendment is required to transfer funds from the Capital Reserve Fund to the General Fund to pay for OWASA subsidies (\$11,000 projected) for water and sewer connection fees and \$1,690 for the NCDOT sidewalk project on S. Greensboro Street (E4544) that has been completed.

The Board is also requested to acknowledge revenues of \$2,000 to be designated within the Capital Reserve Fund for the Teal Place sidewalk installation. Teal Place Townhouses are located at the corner of Culbreth Road and Smith Level Road. The Board of Adjustments, on September 15, 2004, granted an amendment to the conditions of the Special Use Permit to require the Teal Place homeowners association to pay \$2,000 towards construction of the sidewalk. This represents the 30% local share estimated by NCDOT for sidewalk construction costs. Designating these revenues will not require a budget amendment until funds are transferred from capital reserve for spending.

STAFF RECOMMENDATION

The town staff recommends that the Board approve the budget amendment appropriating funds for operating expenses as identified above.