

BOARD OF ALDERMEN

ITEM NO. B (8)

AGENDA ITEM ABSTRACT

MEETING DATE: June 21, 2005

TITLE: A Request to Adopt a Budget Ordinance to Create a Bond Fund

DEPARTMENT: Management Services	PUBLIC HEARING: YES ____ NO <u>x</u>
ATTACHMENTS: A: Budget Ordinance	FOR INFORMATION CONTACT: L. Bingham Roenigk, Assistant Town Manager, 918-7315

PURPOSE:

The Board is requested to adopt a budget amendment that removes the bond-funded sidewalk and greenway projects from the Capital Fund and establishes a new fund under which these projects are managed. This budget amendment also advances cash from the Capital Reserve Fund to the Bond Fund to complete the engineering and design costs for the bond-funded sidewalk projects.

INFORMATION

In the previous year, the bond-funded projects were established in the capital projects funds. While this is a perfectly acceptable accounting and budget practice, town staff is interested in establishing all bond projects associated with the first phase of the bond projects into a separate fund. This will help staff monitor for financing issues associated with federal regulations around the accounting of bonds, interest earned on bond proceeds, and tracking other grant revenues that are used to leverage bond funds to construct various sidewalks and greenways.

The budget amendment recognizes additional grant revenue and reserved funds from the General Fund (for Bolin Forest sidewalk) and advances cash from the Capital Reserve Fund to the Bond Fund to lend money from capital reserve fund to the bond fund for engineering and design costs for sidewalks approved in the bond referendum. These funds shall be reimbursed to the capital reserve fund upon receipt on bond proceeds in FY05-06.

Presently, the bond fund is set up to track each sidewalk and greenway project. At this time, town staff has reasonable estimates for four projects which shall begin over the Board’s summer break. In the upcoming year, prior to pursuing the bond issue, staff will prepare another budget amendment to reclassify budgeted bond line items that are not currently allocated to specific projects once staff is able to confirm and estimate construction and other project costs, including right-of-way costs.

FISCAL IMPACT: There is no fiscal impact in creating this fund.

STAFF RECOMMENDATION: The Board is requested to adopt the project ordinance that removes the bond-funded projects from the Capital Projects Fund and establishes the new Bond Fund for Sidewalks and Greenways.