BUDGET AMENDMENT 5
Original Ordinance # 0-23-07
Amended April 8, 2024
0-24-03
REQUEST FOR BOARD ACTION
TOWN OF FLETCHER

MEETING DATE: April 8, 2024

SUBJECT: Budget Amendment 5

ATTACHMENTS: YES

SUMMARY OF REQUEST:

Town Council in 2017 approved a Fund Balance Policy that outlined that unassigned fund balance should be a minimum of 45% of general fund total expenditures and no more than 65% of general fund total expenditures. In the policy, unassigned fund balance percentages in excess of 65% calculated at the previous fiscal year end, maybe drawn down for nonrecurring expenditures (one-time expenditures, start-up expenditures, appropriated to lower the amount of outstanding principal on existing debt, or used to lower the property tax rate).

At the end of FY 22/23, the Town had an unassigned fund balance of 75% or an excess of $850,000. At the March Town Council Meeting the consensus of Town Council was for the Town to apply the excess reserves as outlined by the Fund Balance Policy towards outstanding principal on existing debt.

The consensus was to apply the $850,000 towards two separate loans: $371,000 towards Truist/Town Hall loan and $479,000 towards the USDA/$5 million/Town Hall loan. This would generate $650,000 in interest savings as well as paying off the Truist loan and shortening the term on the USDA loan.

The attached budget amendment will increase the Principal Debt Retirement line item by $850,000 to apply the excess reserves towards lowering the amount of outstanding principal on existing debt per the Fund Balance Policy.

TOWN MANAGER'S RECOMMENDATION:

It would be appropriate for the Board to approve the attached budget amendment to keep the Principal Debt Retirement line item within budgetary requirements.

BUDGET AMENDMENT # 5
FY 23/24 BUDGET ORDINANCE
Effective April 8, 2024

	Account #	Debit	Credit
General Fund			
Revenues			
Fund Balance Appropriated	10-3990-0000		850,000.00
Expenditures			
Principal Debt Retirement	10-7000-0001	850,000.00	

Mayor Preston Blakely

ATTEST

Christine Thompson NCCMC, MMC
Town Clerk