



## ADMINISTRATIVE SERVICES

**To: Mayor and Town Council**

**From: Robert B. Scott, Executive Director of Administrative Services**

**Through: Ron K Patterson, Interim Town Manager**

**Re: Amendments to Administrative Regulations Chapter 13- Fund Balance**

**Town Council Meeting – October 25, 2022**

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**Agenda Item:**

Consider and act upon approving amendments to Administrative Regulation Chapter 13 - Fund Balance. (RBS)

**Description of Agenda Item:**

At the July 26, 2022, Town Council Meeting significant amendments were made to various financial policies including the Fund Balance Policy which requires a 5% fund balance reserve in addition to the 20% required under the Town Charter. During budget discussions, however, Council determined that with other policies in place a 5% additional reserve was excessive and instructed staff to reduce it to 1% which when added to the charter required 20% will result in a total 21% General Fund reserve.

**Budget Impact:**

This amendment will increase the amount of excess fund balance that is available for programming.

**Attached Documents:**

1. Chapter 13 Fund Balance Policy redline version
2. Chapter 13 Fund Balance Policy final version

**Town Staff Recommendation:**

Town staff recommends approval of the amendments to the Town's Financial Policy Chapter 13.

**Proposed Motion:**

I move to approve the amendment to the Town Financial Policy Chapter 13.