TO: Mayor Thacker; Town Council

FR: Alex Sewell, Town Manager

DATE: 6/23/15

RE: Council Budget Adjustments

Per Town Council’s direction, I have adjusted the budget proposal by:

* Funding $43,500 in expenditures between the General Fund and Water & Sewer Fund using $43,500 in fund balance reserves
	+ $15,000 – Contingency (Performance Evaluation System)
	+ $12,000 – “Welcome to Wadesboro” new signage
	+ $10,000 – Part-time Uptown Director & Funding
	+ $6,500 – Contingency funds which would be used, in combination with $28,000 already in the proposed budget, to distribute a $600 budget to each of the 57 full-time employees and $300 for 1 “full-time/part-time” employee
		- The Town would determine whether these bonuses were financially feasible during the FY 2015-16
		- Total cost for these bonuses is $34,500
			* This $6,500 over the $28,000 in the proposed budget between the General Fund ($22,000) and Water & Sewer Fund ($6,000)
			* This $28,000 funding was originally proposed to be used for either merit pay increases or a 1% cost-of-living increase

**Please note these Council adjustments are reflected in the notable/capital expenditures summary, budget ordinance, and budget line-items. However, other supplementary information is unchanged including the Budget Message, Manager commentary, revenue/expenditure discussions, expenditure highlights by department, and fund balance usage predictions.**

Ultimately, these adjustments likely mean the Town is predicted to spend approximately $43,500 more out of fund balance reserves. In the General Fund, the Town is now predicted to spend approximately $292,600 from fund balance reserves.

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| **Before Council Adjustments** | **After Council Adjustments** |
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| --- | --- |
| **General Fund** | $5,136,802 |
| **Water/Sewer Fund** | $2,812,885  |
|  |  |
| **Total Operating Budget** | $7,949,687  |

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| --- | --- |
| **General Fund** | $5,179,402 |
| **Water/Sewer Fund** | $2,813,785  |
|  |  |
| **Total Operating Budget** | $7,993,187  |

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More technically, these adjustments are accomplished by:

General Fund

Account Number Increase

10-420-93 CONT. TO MAIN STREET $10,000

10-560-73 CAPITAL OUTLAY-OTHER IMP. $12,000

10-999-00 CONTINGENCY $20,600

This will result in a net increase of $42,600 in the expenditures of the General Fund. To balance the budget, the following revenues will be increased:

Account Number Increase

10-399-00 Fund Balance Approiati $42,600 (Total: $538,790)

Water & Sewer Fund

Account Number Increase

30-990-00 CONTINGENCY $900

This will result in a net increase of $900 in the expenditures of the Water & Sewer Fund. To balance the budget, the following revenues will be increased:

Account Number Increase

30-399-00 FUND BALANCE APPROPRIA $900 (Total: $198,760)