

Council Budget Questions and Requests for Information
2019-20 Manager's Recommended Budget
Question #23

QUESTION: If council members advocate for other additions to the budget, please let us know who we would be taking the money from?

RESPONDENT: Amy Oland, Business Management Director

RESPONSE: The Town has balanced the General Fund budget using \$3,321,328 in appropriated fund balance. If council members wish to advocate for additions to the budget, there are two options to fund these requests. The first option is to take something out of the budget. The second option is to use fund balance to fund the request.

A conservative number for the General Fund appropriated fund balance is \$3 million. This allows the Town to realize personnel savings due to vacancies but to have some flexibility in case opportunities arise throughout the year. It also allows for the possibility to have excess fund balance over the 22% target at the end of the year to be used for one-time purposes. Budgeting more than the \$3.3 million we already have appropriated, reduces the likelihood that there will be excess fund balance and increases the chance that we might actually use fund balance. This is a trend we do not want to promote as the bond rating agencies look to see positive year-end results as a sign of a healthy budget.