

**BELLEAIR FINANCE BOARD
NOTICE**

Date: January 9, 2014

TO: Thomas Olson, Chairman
Daniel H. Hartshorne, Vice Chairman
Mary Griffith
Ernest Whittle
Tom Lokey
John Prevas
Tom Kurey

Gary H. Katica, Commission Advisor
Richard Cristini, Advisor

There will be a meeting of the **Belleair Finance Board on Thursday, January 16, 2014 at 4:00 p.m. in the Town Hall auditorium.**

Please plan to attend. In the event you are unable to attend this meeting, please notify the Town Clerk's office at 588-3769 Ext. 214 or 312.

Your attendance is very important!

The following agenda items are provided for your consideration:

1. Approval of Minutes - December 19, 2013

Documents: [MINUTES-DECEMBER 19, 2013 .PDF](#)

2. Citizen's Comments

(Discussion of items not on the agenda. Each speaker will be allowed 3 minutes to speak.)

3. Review of December Golf Course Financials

To Be Distributed

4. Solid Waste Discussion, Review of Municipal Rates

Documents: [AGENDA SUMMARY SW_JAN 16.PDF](#), [MUNICIPAL SOLID WASTE FEES.PDF](#)

5. Discussion of Golf Special Revenue Fund Balance Policy

Documents: [AGENDA SUMMARY SHEET- GOLF FUND BALANCE.PDF](#), [GOLF FUND BALANCE POLICY.PDF](#)

6. Commission Advisor Report

7. Adjournment

** To be distributed.
* Previously distributed.

Copy to: Micah Maxwell, Town Manager
Donna Carlen, Town Clerk

JP Murphy, Assistant Town Manager

**MINUTES OF THE FINANCE BOARD MEETING HELD AT BELLEAIR TOWN HALL
ON DECEMBER 19, 2013 AT 4:00 P.M.**

MEMBERS PRESENT: Thomas Olson, Chairman
Dan Hartshorne, Vice Chairman
Ernest Whittle
Tom Lokey
Tom Kurey

MEMBERS ABSENT: John Prevas
Mary Griffith

OTHERS PRESENT: JP Murphy
Micah Maxwell Town Manager
Mayor Katica, Commission Advisor

Quorum present with Mr. Olson presiding. Meeting was called to order at 4:00 P.M.

APPROVAL OF MINUTES

Mr. Olson stated that the board had for consideration the approval of minutes for the November 14, 2013 board meeting; asked if there were any corrections or changes.

Mr. Whittle moved approval of the minutes of the November 14, 2013 meeting as submitted. Motion was seconded by Mr. Hartshorne and was approved unanimously.

CITIZEN'S COMMENTS

There were no citizen's comments.

REVIEW OF NOVEMBER GOLF COURSE FINANCIALS

Bryan Cox, general manager of the Belleview Biltmore Golf Club provided a review of the November financials; stated that the board had stated that they wanted to see a breakdown of rounds per month; that the October rounds total were 3,204; that the November rounds were at 3,335; stated that October sales were \$26,869.00 in green fees; that the green fees in November were \$39,897.00; that there was a \$13,000.00 increase; that the rates did go up November 1st of \$10.00; that merchandise sales were up over \$3,000 from October to November; spoke about the new apparel with logo; spoke about the golf outing with Outback and Flanagan's; stated that there was about \$6,500.00 revenue generated from that one event; spoke about the member's Christmas party, Toys for Tots drive, and the NSRI Christmas party; stated that they were implementing new events; that there will be a "Couples Nine & Dine"; that they will be bringing back "trivia night"; that it will be open to the public; reviewed the "costs of goods" for food and beverage.

Discussion ensued regarding attracting younger membership and patrons; regarding memberships.

REVIEW OF NOVEMBER GOLF COURSE, cont.

Mr. Kurey inquired about the differences of the revenues listed on the trend sheet and the revenues listed in QuickBooks.

Mr. Cox stated that due to a computer error on November 29th, the annual dues for a three month membership was charged; that those were not suppose to be charge in December and rather charges should have been in January; that those charges had to be reversed; that it was for 6 to 7 memberships; stated that he would check into the differences of revenues.

Discussion ensued regarding previously given gift certificates that were redeemed.

Mr. Olson inquired about the Invitation to Negotiate (ITN) for the golf course.

Micah Maxwell, town manager, stated that the town receive 6 total responses; stated that two were for a purchase and the other four were for a lease option; stated that Mr. Murphy, town attorney David Ottinger, Tom Kurey and himself have reviewed the different bids and have ranked them; that they have been discussing those responses with the different parties that had been submitted; that they were trying to come up with an agreement on a lease deal and should be done in the next week.

Mr. Olson inquired as to when the ITN time period had closed.

Mr. Maxwell stated that the closed date for submission of proposals had closed on December 5, 2013; stated that the town had 30 days from that date to complete the review; that after that date the sealed bids became public.

Mr. Hartshorne inquired as to the advertising of the sale or lease of the golf course; asked if it had been advertised in a larger publication such as Golf Digest or in any large publication.

Mr. Maxwell stated that an email was sent out to several different groups.

Mr. Murphy stated that at the previous meeting the advertising question had been brought up; stated that staff had actually done research and the advertising guidelines for many of those publications that Mr. Hartshorne had mentioned had a time frame of 60 to 90 day for submittal; that at that time it did not fit inside of the window for the ITN.

Discussion ensued regarding the notification of the ITN for the golf course; regarding the advertising; regarding the time frame of the cut-off date for submission; regarding allowing new bids to be accepted; regarding the ITN process; regarding re-advertising.

Mr. Olson stated that there were 6 qualified bidders; that there were two who were interested in buying and 4 who were interested in a lease arrangement; stated that staff had done its job; that there was a good return; that we need to honor that; that if the commission wanted to go out for re-

REVIEW OF NOVEMBER GOLF COURSE, cont.

bid, that it would be their decision; that it was not the finance board's recommendation and nothing in the board's purview to discuss.

Mr. Maxwell stated that the item would be brought forward to the finance board at a special meeting; asked the board when it would be best to hold the meeting.

Discussion ensued regarding a meeting date; it was the consensus of the board to hold the special meeting on a date from December 30th forward.

DISCUSSION OF SOLID WASTE OPERATIONS

Mr. Olson stated that last month there was a presentation from the Kessler Consulting firm; stated that the board had some conversation, but the board pushed most of it forward to this month.

Mr. Murphy stated that solid waste fell under his direction; that about 6 months ago he had entertained Kessler Consulting to do a review of the service delivery model; that they were to highlight any deficiencies and areas of improvement; that some of the results were surprising and some were not; that the town has a solid waste system which delivered a high quality of service but did so in an antiquated fashion; that there was 3 men on a truck, running two routes in town; stated that Wednesday was for commercial as well as yard waste as well as maintenance and training day at the shop; that Monday, Tuesday, Thursday and Friday were collection days; that the problem was that the technology of solid waste collection was surpassing them; that this board approximately 8 years ago considered the idea of automated or semi-automated collection; that at that time, both the board and commission opted not to go with an automated system; that the main reason was the man power; spoke about the past solid waste department man power; spoke about the side-yard and rear-yard service; spoke about the single stream recycle system; spoke about the number and size of containers allowed; stated that they service 1400 homes, 600 to 700 a day; that with a fully automated truck, they could do a complete route in one day with one driver, one day; stated that with going with the cart-tipper it would be low cost; that the system would attach to the back of the truck and would allow them to pick up the big cans; stated that single stream recycling will reduce the amount of trash; spoke about personnel costs.

Mr. Olson inquired about the single stream recycling cans.

Mr. Murphy stated that he signed off on the final art work and cart delivery yesterday; that he was waiting on getting a delivery date; that it should be anywhere between 3-6 weeks.

Discussion ensued regarding single stream recycling; regarding the tipping devise for the existing garbage trucks.

Mr. Murphy stated that the cart tipper would require the residents to have a new container; that there were different sizes; that the 64 gallon was the size that Clearwater was using for recycling.

DISCUSSION OF SOLID WASTE OPERATIONS, cont.

Mr. Murphy spoke about the local recycling facility; stated that he was waiting hear if WSI, which was located in Pinellas County could handle Belleair's light amount of recycle waste; that if they could, one of the current trucks could be repurposed to collect our own recycling which would save \$70,000.00 to \$80,000.00 a year; spoke about repurposing personnel; that there was approximately over \$160,000.00 in savings, less the capital expenses for the tippers and the carts.

Discussion ensued regarding the size of the cans; regarding going with the semi-automated system using larger cans; regarding yard waste.

Mr. Kurey spoke about the town's cost for solid waste in comparison with the other communities' fees; asked about going with other options that would lower the town's solid waste fees.

Mr. Murphy stated that in going with a less expensive option, that it became a customer service debate and a capacity debate; that it would also affect the emergency services; that debris was cleared with the town's solid waste vehicles and the tree trimming equipment; stated that the current staff delivers a very high level of service and did it pretty much on call if need be; spoke about special pickups.

Discussion ensued regarding the variance in costs for solid waste pickups for the various communities and cities in Pinellas County.

Mr. Murphy stated that the fees shown in the table 7 for example, Belleair Beach were just residential service fees; that they did not take into account the commercial fee and yard waste/special pickup fees; stated that he could take a look at that issue and then bring it back to the board; spoke about other municipals services; stated that some communities do a flat assessment for the year and that it went on the tax bill; that it would change the way it would be viewed; that Hillsborough County and the City of St. Petersburg did it that way.

Discussion ensued regarding the level of service provided to the town; regarding the trucks; regarding the number of drivers needed in order to maintain the level service needed by the residents.

Mr. Kurey stated that he thought that at the last meeting that staff and the board would be exploring why the other cities were so much lower than Belleair; that if it was possible to add it to the property tax bills and would make it deductible for tax purposes that he would suggest that we do that; stated that he felt that the board should explore the services and options available regarding a lower fee.

Mr. Olson spoke about the high level of quality of service; regarding the current service, inefficiency and expense; stated that there was another option available; that if there were trucks available and can be converted to the lifters and permit the town to use larger containers, at the same time use for recycling; that the next step to new and full automation required new trucks; spoke about using larger containers; that the efficiency level could be measured.

REVIEW OF NOVEMBER GOLF COURSE, cont.

Discussion ensued regarding the single stream recycling; regarding distribution of the carts; regarding the size of the carts.

Mr. Olson stated that the items that he would to have some discussion in January would be:

1.) When would the recycling carts be distributed; 2.) Have staff propose a plan for the cost of the two semi-loaders and the 64 gallon containing; 3.) Have discussion of the solid waste fees for the other municipalities in comparison to Belleair's higher solid waste fees; and 4.) Discuss the possibility of the solid waste fees to become a part of the tax levy.

COMMISSION ADVISOR REPORT

Mayor Katica provided an update on the Belleview Biltmore Hotel; stated that he had gone on a tour of the hotel; spoke about the water damage; spoke about past proposed offers for the hotel property; stated that had not been a request for demolition for the hotel submitted; that a site plan had not been submitted; stated that the town must move ahead whether the hotel was demolished or whether it was renovated; spoke about the meetings to be held at the condominiums located in the RPD.

Discussion ensued regarding the hotel property; regarding the possible zoning district addition.

Mr. Murphy provided a brief explanation of the proposed additional RM-10 zoning district.

Discussion ensued regarding the golf course; regarding lease possibilities.

ADJOURNMENT

There being no further business to come before the board the meeting was adjourned in due form at 5:35 PM.

Summary

To: Finance Board
From: Micah Badana
Subject: Solid Waste Report Findings from Kessler Consulting
Memo Date: 01/16/2014

Summary: In examining options for the Solid Waste Department the town contracted with Kessler Consulting to provide a detailed analysis of current services and methods.

Staff has reviewed the 23 municipalities listed on Table 7: Rate Comparison of Pinellas County Jurisdictions (p. 12) and found the most recent rates.

Additionally, of the 23 municipalities surveyed 14 are contracting their solid waste operations with private entities. These refuse collection organizations are providing both solid waste and recycling services to the municipalities.

Previous Board Action: The board previously discussed the report with the Assistant Town Manager and had asked to review Table 7: Rate Comparison of Pinellas County Jurisdictions (p.12)

Background/Problem Discussion: The town has previously considered various methods to increase efficiency, including the implementation of an automated or semi-automated system. This report contemplates these and other steps to increase efficiency.

Alternatives/Options: See report for details.

Financial Implications: See report for details.

Recommendation: This item is for discussion purposes only.

Proposed Motion: This item is for discussion purposes only.

Comparison of Municipal Residential Solid Waste Fees

Jurisdiction	Single-Family Households	Municipal Service	Contracted Service	Recycling Available	Offers Special Pick-up With Fee	Single-Family Trash Fee	Multi-Family Container Trash Fee	Pick-up Frequency
South Pasadena	633		X, Waste Management	X, Waste Management		\$ 10.69	\$ 10.69	2
Kenneth City	1,900		X, Waste Services of Florida (Progressive)	X, Waste Services of Florida (Progressive)		\$ 11.00	\$ 11.00	2
Pinellas Park	17,692		X, Waste Management	X, Waste Management	X	\$ 11.35	\$ 11.35	2
St. Pete Beach	3,303		X, Waste Services of Florida (Progressive)	X, Waste Services of Florida (Progressive)		\$ 11.80	\$ 11.80	2
Seminole	3,793		X, Waste Management	X, Waste Management	X	\$ 12.33	\$ 12.33	2
Belleair Bluffs*	1,134		X, Waste Management	X, Waste Management		\$ 13.12		2
N. Redington Beach	712		X, Waste Services of Florida (Progressive)	X, Waste Services of Florida (Progressive)		\$ 13.74	\$ 13.74	2
Indian Shore	300		X, Waste Services of Florida (Progressive)	X, Waste Services of Florida (Progressive)		\$ 14.36	\$ 14.36	2
Redington Shores	946		X, Waste Services of Florida (Progressive)	X, Waste Services of Florida (Progressive)		\$ 14.67	\$ 14.67	2
Redington Beach	917		X, Progressive	X, Progressive	X	\$ 15.04	\$ 15.04	2
Oldsmar	4,252		X, Republic	X, Republic		\$ 16.25	\$ 16.25	2
Dunedin	12,545	X		X, Municipal Service	X	\$ 17.10	\$ 17.10	2
Largo	17,000	X		X, Municipal Service	X	\$ 17.65	\$ 17.65	2
Tarpon Springs	7,120		X, Waste Management	X, Waste Management	X	\$ 18.00	\$ 18.00	2
Gulfport	4,819	X		X, Municipal Service	X	\$ 18.39	\$ 18.39	2
Madeira Beach	1,922	X	X, Progressive	X, Progressive	X	\$ 19.00	\$ 19.00	2
Treasure Island	2,100	X	X, Republic Services, Inc.	X, Republic Services, Inc.	X	\$ 19.50	\$ 19.50	2
Belleair Beach	1,283		X, Waste Management of Pinellas	X, Waste Management of Pinellas		\$ 20.10	\$ 18.78	2
Safety Harbor	6,383	X		X, Municipal Service	X	\$ 22.32	\$ 22.32	2
St. Petersburg	74,387	X		X, Waste Pro	X	\$ 22.33	\$ 22.33	2
Clearwater	26,800	X		X, Municipal Service		\$ 24.86	\$ 24.86	2
Indian Rocks Beach	1,336	X		X, Waste Services of Florida (Progressive)	X	\$ 25.28	\$ 24.36	2
Belleair	1,427	X		X, Clearwater	X	\$ 33.42	\$ 12.67	2
Belleair Shore *	53		X, Waste Services of Florida (Progressive)	X, Waste Services of Florida (Progressive)				2

Average \$ 17.49

*Information was not available for municipalities highlighted in yellow

Summary

To: Finance Board
From: JP Murphy
Subject: Golf Fund Balance Policy
Date: 11/4/11

Summary: The fund balance policy in the golf fund will need to be amended to reflect the change in operations.

Previous Commission Action: The commission previously approved the existing fund balance policy.

Background/Problem Discussion: Now that the golf course will be under Green Golf Partners' management through leasehold with the town, staff is recommending revision of the fund balance policy for the Golf Fund. Specifically, staff recommends retaining a minimum undesignated fund balance of 10% of one year's operating expenditures (excluding capital and transfers) for purposes of reserve. At the current expenditure levels this amount is approximately \$200,000 dollars. The current fund balance of the fund includes \$500,000 transferred in from the General Fund, and would be returned upon passage of the new fund balance policy.

In addition, Staff is recommending an annual \$50,000 dollars be set aside and assigned for future capital expense. Industry best practice calls for 2% to 4% of annual revenues to be reinvested into the capital improvement of courses and facilities. At the current revenue levels, this would translate to an approximate \$40,000 to \$80,000 dollars annually.

Alternatives/Options: Open for discussion.

Financial Implications: Retaining an approximate \$200,000 dollar undesignated fund balance and an annual \$50,000 assignment for capital expense.

TOWN OF BELLEAIR
GOLF SPECIAL REVENUE FUND BALANCE POLICY

EXHIBIT A

INTENT

The intention of this policy is to ensure that sufficient fund balance in the Golf Fund is reserved for future capital expense, operational reserve, and emergency expenses.

A. DEFINITIONS

Fund Balance – As defined by the *Governmental Accounting, Auditing and Financial Reporting* of the Government Finance Officers Association, fund balance is “The difference between assets and liabilities reported in the government fund.”

Non-Spendable Fund Balance – Amounts that are (a) not in spendable form or (b) legally or contractually required to be maintained intact. “Not in spendable form” includes items that are not expected to be converted to cash (such as inventories and prepaid amounts) and items such as long-term amount of loans and notes receivable, as well as property acquired for resale. The corpus (or principal) of a permanent fund is an example of an amount that is legally or contractually required to be maintained intact.

Restricted Fund Balance - Amounts that can be spent only for specific purposes stipulated by (a) external resource providers such as creditors (by debt covenants), grantors, contributors, or laws or regulations of other governments; or (b) imposed by law through constitutional provisions or enabling legislation.

Committed Fund Balance – Amounts that can be used only for the specific purposes determined by a formal action (resolution) of the Commission, the highest level of decision making authority. Commitments may be changed or lifted only by the Commission taking the same formal action (resolution) that imposed the constraint originally. Resources accumulated pursuant to stabilization arrangements sometimes are reported in this category.

Assigned Fund Balance – Includes spendable fund balance amounts established by management that are intended to be used for specific purposes that are neither considered restricted nor committed.

Unassigned Fund Balance – Unassigned fund balance is the residual classification for the Golf Fund. This classification represents fund balance that has not been assigned to other funds and that has not been restricted, committed, or assigned to specific purposes within the Golf Fund. Unassigned fund balance may also include negative balances for any governmental fund if expenditures exceed amounts restricted, committed, or assigned for those specific purposes.

Unrestricted Fund Balance – The total of *committed fund balance, assigned fund balance, and unassigned fund balance*.

Reservations of Fund Balance – Reserves established by Commission (*committed fund balance*) or management (*assigned fund balance*).

B. PURPOSE

The Town hereby establishes and will maintain Fund Balance, as defined herein, in accordance with Governmental Accounting and Financial Standards Board Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions*. Fund Balance shall be composed of non-spendable, restricted, committed, assigned and unassigned amounts.

A Fund Balance Policy is adopted in order to secure and maintain investment-grade credit ratings, meet seasonal shortfalls in cash flow, and reduce susceptibility to emergency or unanticipated expenditures and/or revenue shortfalls. Fund balance information is used to identify the available resources to repay long-term debt, reduce property taxes, add new governmental programs, expand existing ones, or enhance the financial position of the Town in accordance with policies established by the Commission.

This Fund Balance Policy establishes:

- a) Fund balance policy for the Golf Fund;
- b) Reservations of fund balance for the Golf Fund;

- c) The method of budgeting the amount of estimated unrestricted fund balance (also known as *estimated beginning fund balance*) available for appropriation during the annual budget adoption process (prior to the actual audited fund balance being known) and what actions may need to be taken if the actual fund balance is significantly different than the budgeted fund balance and
- d) Establish the spending order of fund balances.

C. FUND BALANCE POLICY (GOLF FUND)

1. RESTRICTED FUND BALANCE

There is no restricted fund balance in the Golf Fund. Amounts that can be spent only for specific purposes stipulated by (a) external resource providers such as creditors (by debt covenants), grantors, contributors, or laws or regulations of other governments; or (b) imposed by law through constitutional provisions or enabling legislation will be budgeted and reported in special revenue funds, capital project funds or debt service funds.

2. COMMITTED FUND BALANCE

Commitment of fund balance may be made for such purposes including, but not limited to, a) major maintenance and repair projects; b) meeting future obligations resulting from a natural disaster; c) accumulating resources pursuant to stabilization arrangements; d) establishing reserves for disasters; and/or e) for setting aside amounts for specific projects.

Commitment of fund balance may be made from time-to-time by resolution of the Commission. Commitments may be changed or lifted only by the Commission taking the same formal action that imposed the constraint originally (resolution). The use (appropriation) of committed fund balances will be considered in conjunction with the annual budget adoption process or by budget amendment approved by resolution of Commission during the fiscal year.

3. ASSIGNED FUND BALANCE

Assignment of fund balance may be a) made for a specific purpose that is narrower than the general purposes of the government itself; and/or b) used to reflect the appropriation of a portion of existing unassigned fund balance to eliminate a projected deficit in the subsequent year's budget in an amount no greater than the projected excess of expected expenditures over expected revenues.

Assigned fund balance shall reflect management's intended use of resources as set forth in the annual budget (and any amendments thereto). Assigned fund balance may or may not be appropriated for expenditures in the subsequent year depending on the timing of the project/reserve for which it was assigned.

4. NON-SPENDABLE FUND BALANCE

Non-spendable fund balance is established to report items that are not expected to be converted to cash such as inventory and prepaid items; items not currently in cash form such as the long-term amount of loans and notes receivable as well as property acquired for resale; and items legally or contractually required to be maintained intact such as the corpus (or principal) of a permanent fund.

5. MINIMUM LEVEL OF UNASSIGNED FUND BALANCE

Unassigned fund balance is the residual classification for the Golf Fund and represents fund balance that has not been restricted, committed or assigned to specific purposes within the Golf Fund.

If, after the annual audit, prior committed or assigned fund balance cause the unassigned fund balance to fall below 10% of total golf operating expenditures, the Manager will so advise Commission in order for the necessary action to be taken to restore the unassigned fund balance to 10% of total golf operating expenditures.

The Manager will prepare and submit a plan for committed and/or assigned fund balance reduction, expenditure reductions and/or revenue increases to Commission. The Town shall take action necessary to restore the unassigned fund balance to acceptable levels within two years.

D. RESERVATIONS OF FUND BALANCE (GOLF FUND)

1. ASSIGNED FUND BALANCE

The Town hereby establishes the following assigned fund balance reserves in the Golf Fund:

- a) Assignment for capital expense – Each year, \$50,000 dollars shall be assigned specifically for future capital improvement expenses.

E. BUDGETING

1. APPROPRIATION OF UNRESTRICTED FUND BALANCE

The actual amount of unrestricted fund balance (total of *committed fund balance, assigned fund balance and unassigned fund balance*) is not known until the completion of the annual audit which takes place between three to six months after the end of the fiscal year being audited. However, an estimate of unrestricted fund balance (also called *estimated beginning fund balance*) must be made during the annual budget adoption process (July through September) which is prior to the end of the fiscal year, September 30th.

2. ESTIMATED BEGINNING FUND BALANCE

In order to achieve the most accurate estimate possible, the Manager or designee shall project both Sources of Funds (revenues, prior years unrestricted fund balances carried forward and other financing sources) and Uses of Funds (operating and non-operating expenditures), including accruals, for each department in each governmental fund through September 30th of the then current fiscal year. These projections will be shown in a separate column entitled “Estimated Actual” for each fund in the proposed, tentative and final budget documents. The difference between the estimated actual sources of funds and estimated actual uses of funds is the calculated estimated beginning fund balance for the subsequent fiscal year. If planned for use in the subsequent fiscal year, committed and assigned fund balance may be included in the estimated beginning fund balance.

3. ESTIMATED ENDING FUND BALANCE

For the year being budgeted, a calculation of estimated ending fund balance shall also be made. This calculation shall be the difference between the budgeted sources of funds and the budgeted uses of funds as described above.

Since the uses of funds are restricted, committed or assigned in all other governmental fund types there is no policy to the amount of ending fund balance unless the project is completed and the fund should be closed. In this situation, a residual equity transfer will be made to zero-out any remaining fund balance.

If, after the annual audit, the actual Golf Fund unassigned fund balance is greater than 10 percent of operating expenditures in the Golf Fund, the excess may be used in one or a combination of the following ways:

- a) Left in the Golf Fund to earn interest and roll forward into the subsequent year's beginning fund balance;
- b) Appropriated by resolution of Commission for a one-time expenditure or opportunity that does not increase recurring operating costs;
- c) Committed to establish or increase a formal stabilization arrangement or reserve (including but not limited to economic stabilization, contingency reserves or disaster reserves); or
- d) Appropriated for start-up expenditures of new programs, undertaken at mid-year, provided that such action is considered in the context of Commission-approved multiyear projections of revenues and expenditures.
- e) Be transferred to other governmental funds as the commission deems necessary.

F. SPENDING ORDER OF FUND BALANCES

The Town uses restricted amounts to be spent first when both restricted and unrestricted fund balance is available unless there are legal

documents/contracts that prohibit doing this, such as in grant agreements requiring dollar for dollar spending. Additionally, the Town would first use committed fund balance, followed by assigned fund balance and then unassigned fund balance when expenditures are incurred for purposes for which amounts in any of the unrestricted fund balance classifications could be used.

G. ANNUAL REVIEW AND DETERMINATION OF FUND BALANCE POLICY

Compliance with the provisions of this policy shall be reviewed as a part of the annual budget adoption process, and the amounts of restricted, committed, assigned, non-spendable and the minimum level of unassigned fund balance shall be determined during this process.

H. ADDITIONAL INFORMATION, REQUIREMENTS/RESPONSIBILITIES

It will be the responsibility of the Finance Director to keep this policy current.

I. EFFECTIVE DATE

This Policy shall take effect immediately upon adoption.

Original Issue Date:_____

Approved:

Date

