



MEMORANDUM

TO: Mayor and Board of Commissioners

FROM: Bryan Gruesbeck, Town Manger
Nancy Emslie, Finance Director

SUBJECT: Fund Balance and Reserve Policy

DATE: April 24, 2015

Background: As the Town grows its budget will become more complex. In order to manage the complexity, we will need to establish financial best practices to ensure our Town continues to provide and improve its level of services.

This draft fiscal policy is a statement of the guidelines and goals that will influence and guide the financial management practices of the Town of Pittsboro regarding fund balance and reserves. A fiscal policy that is adopted, adhered to, and regularly reviewed is recognized as the cornerstone of sound financial management.

You will recall that the draft policy was attached FYI in the BoC materials for the 4/13/15 meeting. An identical policy has been attached for your review. Staff would like to present this policy for your consideration as we start to formalize the FY 2015-2015 Annual Budget. Should you approved the document and resolution, we will begin to immediately apply these best practices.

Action Requested: That the Board of Commissioners adopt the attached resolution approving the draft Fund Balance and Reserve Policy.

A RESOLUTION APPROVING THE FUND BALANCE AND RESERVE POLICY

WHEREAS, the Town of Pittsboro does not current have a Funds Balance and Reserve Policy; and

WHEREAS, the Town of Pittsboro will need to establish financial best practices to ensure that the Town continues to provide and improve its level of services; and

WHEREAS, the Town of Pittsboro recognizes that effective fiscal policy contributes significantly to the Town's ability to insulate itself from financial crisis; promotes long-term stability by establishing clear and consistent guidelines; provides the Board of Commissioners and the Town's professional management a standard for best financial practices; and

NOW, THEREFORE, BE IT RESOLVED by the Board of Commissioners of the Town of Pittsboro that the draft Fund Balance and Reserve Policy s is hereby accepted, adopted and placed on file with the Town Clerk.

William G. Terry, Mayor

ATTEST:

Alice F. Lloyd, CMC, NCCMC, Town Clerk