



HENDERSON COUNTY
OFFICE OF THE COUNTY MANAGER

100 NORTH KING STREET
HENDERSONVILLE, NC 28792-5097
PHONE (828) 697-4809 FAX (828) 698-6014
www.hendersoncountync.org

David E. Nicholson
County Manager
davidn@hendersoncountync.org

Justin Hembree
Assistant County Manager
jhembree@hendersoncountync.org

Selena D. Coffey
Budget & Management Director
selenac@hendersoncountync.org

Avalina Merrill
Administrative Assistant
avalina@hendersoncountync.org

MEMO

TO: Board of Commissioners

FROM: David E. Nicholson
County Manager

DATE: April 20, 2005

SUBJECT: Fund Balance Plan

The Board requested that staff provide its thoughts on ways to increase our Unappropriated/Undesignated Fund Balance to the 12% level as required by Board of Commissioners' policy. Below are a few of the steps that the Board could consider beginning with the Fiscal Year 2005-06 Budget.

1. Budget an additional 12% for all new expenditures.
2. Sell surplus properties and place proceeds in Fund Balance.
3. Lower the first year percentage of property tax collection.
4. Budget the full cost for new positions and then phase in their hiring dates.

Henderson County's Unappropriated/Undesignated Fund Balance at June of 2004 was 9.15%. We are expecting a slight increase in the Fund Balance at the end of the current fiscal year. A conservative estimate would place the percentage between 9.5% and 10%. However should the Board implement these types of budget stipulations, staff believes that we should be between 10.5% and 11% at the end of Fiscal Year 2005-06. With the sale of the properties during Fiscal Year 2006-07, we should reach the Board's goal of 12%.