Legislation Details (With Text)

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Title:	Report: General Fund Balance Reserve		
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Attachments:	1. Ord 9757 General Fund Balance Policy, 2. General Fund Balance Reserve Calculation FY24, 3. Ordinance 7428		

Date	Ver.	Action By	Action	Result
2/5/2024	1	Finance and Budget Committee	received and filed	

Report: General Fund Balance Reserve

Ordinance No. 9757, which took effect September 26, 2023, requires that the City maintain a General Fund Balance Reserve representing three months (25%) of prior fiscal year's revenues or expenditures, whichever was greater. This policy is compatible with the Government Finance Officers' Association Best Practices. The purpose of the reserve balance is to provide for emergencies and economic stability. The Reserve Balance is available for spending in the event of a financial crisis or emergency need but is required to be replenished under specific terms.

The ordinance also requires the City Manager to present recommendations for appropriate one-time use of unassigned General Fund Balance in excess of 35% of prior fiscal year's revenues or expenditures, whichever was greater. The FY24 calculation based on data from the FY23 Annual Comprehensive Financial Report resulted in an amount of $11,057,673 that was in excess of 35% of FY23 expenditures, thereby prompting the requirement for spending recommendations from the City Manager.

Bette Wordelman, Finance Director