

Legislation Details (With Text)

File #: BILL NO. 23-185
Name:
Type: Ordinance - Committee
Status: Passed
File created: 9/8/2023
In control: City Council - Regular Session
On agenda: 9/19/2023
Final action: 9/26/2023
Title: An Ordinance establishing the General Fund Balance Reserve Guidelines to ensure the continued economic stability of the City of Lee's Summit, Missouri.
 (Note: First read by Council on September 19, 2023. Passed by unanimous vote.)

Sponsors:

Indexes:

Code sections:

Attachments: 1. Ordinance, 2. Supporting Document: Rethinking General Fund Balance-scored, 3. Supporting Document: Ordinance 7428 adopted in 2014, 4. Supporting Document: Survey of General Fund Balance Reserve Policies.pdf, 5. Supporting Document: Rethinking General Fund Balance, 6. Supporting Document: Fund Balance calculation using new ordinance language

Date	Ver.	Action By	Action	Result
9/26/2023	1	City Council - Regular Session	adopted and numbered	Pass
9/19/2023	1	City Council - Regular Session	advanced to second reading	Pass

An Ordinance establishing the General Fund Balance Reserve Guidelines to ensure the continued economic stability of the City of Lee's Summit, Missouri.
 (Note: First read by Council on September 19, 2023. Passed by unanimous vote.)

Issue/Request:

The Finance and Budget Committee has requested a review and revision of the City's General Fund Balance Reserve guidelines to ensure the continued economic stability of the City.

Key Issues:

The current guideline was established in 2014 via Ordinance 7428 and established a minimum General Fund reserve balance of two months (16.67%) of the prior fiscal year's revenues or expenditures, whichever was greater. Provisions were established for rebuilding the reserve balance in the event that it was used for some purpose. The ordinance also placed restrictions on the use of General Fund balance for recurring expenses.

The proposed new ordinance increases the minimum General Fund Balance Reserve to three months (25%) of the prior fiscal year's revenues or expenditures, whichever is greater. It also establishes a maximum cap of 35% which would trigger a notification by the City Manager to the Council regarding recommended use of the funds above 35% for expenditures that are one time in nature.

Bette Wordelman, Finance Director