

Legislation Text

File #: 2024-6212, **Version:** 1

Staff report and update: General Fund Reserve balance -considerations for funding.

Issue/Request:

Staff report and update: General Fund Reserve balance - considerations for funding

Key Issues:

In September of 2023, the Mayor and City Council amended the General Fund Reserve balance guidelines which established a process by which to consider use of funds from the General Fund Reserve balance. The ordinance establishing the guidelines and the process to consider use of general fund reserve resources is attached to this packet.

Per the established guidelines, the unassigned general fund reserve balance above the 35% cap, is \$11,057,672.55. The use of unassigned general fund reserve resources may be appropriated by a majority vote of the City Council for expenditures considered to be one-time in nature. At the February 16, 2024 special Finance and Budget Committee meeting, the Finance and Budget Committee unanimously recommended approval of directing \$7M of the unassigned general fund reserve balance above the 35% cap toward the Downtown Market Plaza project. With the \$7M recommendation approved by the Mayor and Council for the Downtown Market Plaza project, the remaining amount of unassigned general fund reserve is \$4,057,672.55. Provided below are a listing of the remaining recommendations or ideas brought forward by the City Manager as well as updates since the February 16, 2024 special Finance and Budget Committee meeting for continued consideration and discussion:

- * Funding allocations toward Equipment Replacement Programs (VERP, BERP, MERP, SLERP): \$3M
- * Community gateway monuments for south and east highway corridors: \$300 - \$500k
- * Audio Visual enhancements for City Hall conference rooms: \$50k **(This recommendation is being considered for funding through mid-year adjustments which are in process for Finance and Budget Committee and City Council consideration)**
- * Compensation Study: \$300 - \$500k
- * Browning property + improvements: \$3M
- * Security bollards in the downtown area to block off streets - research underway.
- * **After the Mayor and Council approved the \$7M unassigned general fund reserve resources to the Downtown Market Plaza project, Councilmember DeMoro submitted a recommendation to utilize one-quarter of a portion of the unassigned general fund reserve balance toward sidewalk gaps in District 4.**

Notes regarding these recommendations:

At this time these recommendations are assumptions and further research and evaluation is necessary prior to determining any final estimate(s) for these recommendations. An audit is currently underway regarding the Equipment Replacement Programs (VERP, BERP, MERP, SLERP). None of these recommendations are considered urgent needs or have a specified timeline in which to accomplish, so there is no immediate

urgency to determining the direction to invest unassigned general fund reserve balances toward any of these initiatives.

Proposed City Council Motion:

Background:

At the February 6, 2024 City Council meeting, there was discussion regarding the potential use of general fund reserve resources toward the Downtown Market Plaza project. From the February 6 discussion, the Mayor and Council requested the Finance and Budget Committee hold a special meeting to discuss and consider other recommendations or initiatives that could be funded by the unassigned general fund reserve resources. The Finance and Budget Committee held a special meeting on February 16, 2024 and were presented with recommendations from the City Manager. Those recommendations included the following:

- * Downtown Market Plaza Project: \$5M - \$10M
- * Funding allocations toward Equipment Replacement Programs (VERP, BERP, MERP, SLERP): \$3M
- * Community gateway monuments for south and east highway corridors: \$300 - \$500k
- * Audio Visual enhancements for City Hall conference rooms: \$50k
- * Compensation Study: \$300 - \$500k
- * Browning property + improvements: \$3M
- * Security bollards in the downtown area to block off streets - amount unknown and more research is needed.

Totals: \$11,650,000 - \$17,050,000 +

The Finance and Budget Committee unanimously voted to recommend moving forward with \$7M of the General Fund Reserve toward the Downtown Market Plaza project as this project was the most pressing from a timeline perspective. The Finance and Budget Committee expressed the desire to continue to discuss the remaining available funding above the 35% cap in future meetings.

Mark Dunning, City Manager