

Legislation Text

File #: BILL NO. 23-185, **Version:** 1

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