Legislation Details (With Text)

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On agenda:	3/7/2022	**Final action:**	3/8/2022
Title:	Report of the General Fund Balance as required by Ordinance No. 7428.		
Sponsors:			
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Attachments:	1. General Fund Balance Calculation for FY22, 2. Ordinance 7428, 3. GFOA Best Practices-General Fund Reserve Balance		

Date	Ver.	Action By	Action	Result
3/8/2022	1	Finance and Budget Committee	received and filed	

Report of the General Fund Balance as required by Ordinance No. 7428.

Ordinance No. 7428, which took effect February 7, 2014, requires that the City maintain a General Fund Balance Reserve representing two months (12.67%) 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.

This calculation includes two projection calculations for FY22. The first shows expenditures including only previously approved budget amendments, and the second shows planned expenditures that are included in proposed FY22 Budget Amendments No. 6 and 7. The Reserve Balance Calculation provided in this report shows that our current projection for FY22 ending June 30, 2022, (including proposed Amendments No. 6 and 7) reflects an expected reserve of 38.02% of unassigned (or unrestricted) fund balance, well within our policy requirements.

Bette Wordelman, Finance Director