



FUND BALANCE RESERVES

1. All fund designations and reserves will be evaluated annually for long-term adequacy and quarterly for compliance with our own internal policies and codes. The reserves shall be used in conjunction with development of the City's budget and five-year financial plan.
2. The Finance Department will prepare and provide, on a monthly basis to the City Council, a comparative Required Reserves Report. This report will compare actual reserves with the calculated required reserve, determined during the budget process.
3. The City will strive to maintain reserve not less than 15% of the General fund's budgeted expenditures as prescribed in Resolution 03:705. These funds should be segregated into its own bank account, or documented in a way such that these funds can be readily identified & distinguished from the City's operating, payroll or clearing accounts in the General Fund.
4. The City will strive to maintain reserve not less than 15% of the Street Funds budgeted expenditures as prescribed in Resolution 03:705. These funds should be segregated into its own bank account, or documented in a way such that these funds can be readily identified & distinguished from the City's operating, payroll or clearing accounts in the General Fund.
5. The Mayor may designate a separate reserve for vehicle maintenance, with approval of the City Council. The reserve will be based upon lifecycle replacement plans to ensure adequate funds required to systematically replace police, fire and other city vehicles and equipment essential to providing City services.
6. The Mayor may designate a separate reserve for Facilities Maintenance, with approval of the City Council. The funds should be sufficient to ensure adequate funding for infrastructure repair, building maintenance and operating equipment replacement (HVAC, roofing, etc.).
7. The Mayor may designate a contingency appropriation budget amount in addition to Fund reserves, sufficient to provide for unforeseen needs of an emergency nature for each budget year.