

RESOLUTION NO. 4 , 2014

A RESOLUTION AMENDING RESOLUTION NO. 19, 2007, ESTABLISHING A BUDGETARY/FINANCIAL POLICY FOR THE CITY OF MONTGOMERY RELATIVE TO TARGETED FUND BALANCES FOR EFFECTIVE PLANNING AND EMERGENCY FINANCIAL NEEDS

WHEREAS, it is desirable and in the best interest of the City of Montgomery to identify a financial policy relative to targeted fund balances in key funds for effective planning and emergency financial needs for the City's operations and capital needs; and

WHEREAS, the Finance Committee and City Staff have reviewed the current financial and budgetary position as well as established recommendations for targeted fund balances in key City funds so as to effectively safeguard the City against any economic downturns and provide solid fiscal planning for the future; and

WHEREAS, prudent financial management on the part of the elected and appointed officials of the City and a strong local economy in recent years have enabled the City to establish targeted fund reserves to ensure to the greatest extent possible the fiscal health of the City in the future.

NOW, THEREFORE BE IT RESOLVED by the Council of the City of Montgomery, Ohio:

SECTION 1. It is the intent of the City Council to establish targeted fund balances in several of the City's key funds to guard against any economic downturns and provide sound fiscal planning for the City in the future.

SECTION 2. The targeted fund reserve for the General Fund is established at a range of six (6) months to twelve (12) months of operating expenditures

and transfers for the current fiscal year. This range is established because the General Fund is an operational fund and is subject to the fluctuations in the City's revenues and expenditures. The low and high ends of the range would serve a dual purpose by acting as "triggers" for City actions when either end of the range is approached and secondly by allowing for management flexibility within which to operate for City financial planning.

SECTION 3. The targeted fund reserve for the Fire/EMS Levy Fund is established at a range of six (6) months to twelve (12) months of operating expenditures and transfers for the current fiscal year. This range is established because the Fire/EMS Levy Fund is an operational fund and is subject to the fluctuations in the City's revenues and expenditures.

SECTION 4. The targeted fund reserve for the Capital Improvement Fund is established at \$1,000,000 to provide for emergency, unplanned repairs to the City's infrastructure as well as for strategic projects and improvements.

SECTION 5. The targeted fund reserve for the General Bond Retirement Fund is established as a level equal to the subsequent year's projected total debt service payments.

SECTION 6. The targeted fund reserve for the Arts and Amenities Fund is established at \$376,237, representing the value of the estate received by the City that created this fund and a subsequent bequest received in 2004.

SECTION 7. City staff is directed to prepare all necessary budgetary documents to reflect these targeted fund balances and efforts should be made to establish and maintain these fund balances in the respective funds whenever possible.

This resolution does not restrict the City from utilizing some or all of the targeted fund balance should conditions dictate such use and the necessary appropriations are approved by City Council.

SECTION 8. If it is anticipated at the completion of any fiscal year that the projected or estimated amount of the these targeted fund balances will be less than the minimum requirement, then the City Manager shall prepare and submit, in conjunction with the proposed budget, a plan for the expenditure reductions and/or revenue increases necessary to restore the minimum requirements in the subsequent budget year or other appropriate period as stipulated in the minimum targeted balance requirement section.

SECTION 9. The City Council and staff should periodically review these targeted fund balances for modification based on economic and budgetary conditions of the City to ensure appropriate emergency and fiscal planning for future years.

SECTION 10. This Resolution shall be in full force and effect from and after the earliest period allowed by law.

PASSED: March 5, 2014

ATTEST: Connie M. Gaylor
Connie M. Gaylor,
Acting Clerk of Council

Todd Steinbrink
Todd Steinbrink, Mayor

APPROVED AS TO FORM
Terrence M. Donnellon
Terrence M. Donnellon, Law Director