



COUNCIL AGENDA ITEM COVER SHEET

Meeting Type: Council - Regular

Meeting Date: April 20, 2023

Agenda Item Type: Consent Agenda

Staff Contact: Brandon Perkins, Town Manager

STAFF REPORT

AGENDA ITEM:

Approval of a new Administrative policy governing fund balances.

BACKGROUND:

The Town Council voted on February 19, 2019 on a policy statement requiring the maintenance of a reserve fund balance of "40% of reserves with a goal of 50% operating reserves". A formal written policy was never created after that vote. Consequently, Staff believes it is prudent to move forward with a more formal written policy governing how the Town will handle all fund balances.

A copy of the draft policy is attached. Note that the reserve fund minimum has been changed to 50% rather than the previous 40%.

GFOA recommends a reserve fund balance of at least 2 to 3 months of operating expenses, so the Town's policy of 50% is healthy and reasonable.

The attached draft is based off of sample policies from GFOA and other cities.

FUNDING:

None.

STAFF RECOMMENDATION:

Staff recommends approval.

ATTACHMENTS:

1. Draft Fund Balance Policy.

PREVIOUS DISCUSSIONS:

This was briefly discussed during the 2023 Planning Workshop on March 21, 2023.