



## Legislation Text

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**File #:** RES 16-292, **Version:** 1

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Consideration of and action on a resolution to commit \$500,000.00 of FY 2015-2016 fund balance for furnishing of a new City Hall.

### Summary:

In September 2014, \$2,500,000.00 of the FY 2013-2014 fund balance was committed for renovations to City Hall. This project is now in the design phase. The City believes it is prudent to include an additional amount of \$500,000.00 for furnishing of a new City Hall and recommends a commitment of \$500,000.00 of FY 2015-2016 fund balance for this purpose.

The City's Financial Management Policy, in accordance with GASB Statement No. 54, Fund Balance Reporting and Governmental Fund Type Definitions, includes a policy relative to fund balance and working capital that specifies the fund balance classifications, including committed fund balance. Prior to fiscal year end, the City Council may commit fund balance for a specific purpose by formal action. In accordance with the policy, the City shall strive to maintain an unassigned general fund balance equal to at least 25% of normal recurring operating costs, based on the current year's budgeted operating expenditures. For the current fiscal year, this target is \$9.3 million and given the beginning fund balance of \$34.3 million and the projected fund balance of \$36.9 million for FY 2015-2016, the requested commitment would not breach the target fund balance.

Note: the City Council would take similar action to "uncommit" any portion of this \$500,000.00 committed fund balance not used for furnishing of a new City Hall. Those funds would then be reclassified as unassigned fund balance.

### Fiscal/Budgetary Impact:

The FY 2015-2016 unassigned fund balance will be reduced by the \$500,000.00 amount of committed fund balance.

Approve the resolution to commit \$500,000.00 of FY 2015-2016 unassigned fund balance for furnishing of a new City Hall.