

RESOLUTION NO. 002-2014

A RESOLUTION ADOPTING A FIVE YEAR CAPITAL IMPROVEMENT PLAN POLICY; A MINIMUM RESERVE BALANCE POLICY; AND A RAINY DAY RESERVE ACCOUNT AS PROMULGATED BY THE CITY AUDITOR'S OFFICE, AND REPEALING ALL RESOLUTIONS AND/OR PARTS OF RESOLUTIONS IN CONFLICT HEREWITH, AND DECLARING AN EMERGENCY.

WHEREAS, the City Auditor has set forth a proposed a Minimum Reserve Balance Policy, and a Five Year Capital Improvement Plan Policy which Council deems appropriate and wishes to endorse same to serve as guidelines for the future operations of City of Findlay; and,

WHEREAS, Ohio Revised Code 5705.13 permits a municipality to establish a Rainy Day Reserve Account which requires a city to set forth a purpose for said account; where said reserve will be established; and the total amount to be reserved in said account; and,

WHEREAS, it is the desire of this Council to also establish a Rainy Day Reserve Account within the General Fund for with the purpose of stabilizing the City budget's against cyclical changes in revenues and expenditures.

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

SECTION 1: That the following Financial Plan Policies be and the same is hereby approved and adopted as follows:

Five Year Capital Improvement Plan Policy

Annually, the Administration will present to Council a five-year capital improvement plan when submitting next year's capital improvement budget. The plan will prioritize all anticipated expenditures greater than one hundred thousand dollars (\$100,000.00) and estimate the impact of debt service on the City budget for any proposed debt.

For business-like projects and enterprise reserves, a five-year pro-forma revenue and expense statement will be created in addition to the five-year capital improvement plan, to determine the impact of future capital improvements. The Administration will also report to Council the expected impact on rates or user fees, if applicable.

Minimum Reserve Balance Policy

The City will budget Minimum Reserve Balance for unforeseen emergencies or revenue shortfalls and to eliminate the need for short-term borrowing for cash-flow needs. The minimum reserve balances for next year will be estimated during the operational budgeting process. If events trigger a breach of the reserve balance reserves during a fiscal year, this will be brought to Council and corrective action planned to eventually restore the Minimum Reserve Balance. This Minimum Reserve Balance should be adjusted periodically upward to keep pace with the City's expenses, so that the Minimum Reserve Balance target is approximately sixteen and seven tenths percent (16.7%) of the City's General Fund expenses or approximately two months operating expenses in said fund.

SECTION 2: That a Rainy Day Reserve Account be and the same is hereby established as follows:

Purpose: to stabilize City budgets against cyclical changes in revenues and expenditures.

Rainy Day Reserve Account – established pursuant to Ohio Revised Code 5705.13 a Reserve Balance Account, also called the “Rainy Day Reserve Account”, will be created within the General Fund, to be used in emergencies for operational expenses thus stabilizing City budgets against cyclical changes in revenues and expenditures. The reserve balance account will not exceed five percent (5%) of the previous year’s revenues, as dictated by state law. The target amount for this reserve account should be adjusted upward in future years as the City’s expenses grow, to stay at approximately four percent (4%) of the City’s General Fund expenses. The total amount to be reserved in said Rainy Day Reserve Account will be one million dollars (\$1,000,000.00).

SECTION 3: That the Auditor be and he is hereby authorized to establish a Rainy Day Reserve Account within the General Fund, and to transfer one million dollars (\$1,000,000.00) from the General Fund to the Rainy Day Reserve Account.

SECTION 4: This Resolution is hereby declared to be an emergency measure necessary for the immediate preservation of the public peace, health and safety of the inhabitants of the City of Findlay, Ohio, and for the further reason it is immediately necessary to enact said legislation so that these policies and statutorily-created reserve may be established forthwith thus enhancing the City’s overall fiscal policy.

WHEREFORE, this Resolution shall take effect and be in force from and after its passage and approval by the Mayor.

James P. Slough

PRESIDENT OF COUNCIL
Lydia Michaelis

MAYOR

PASSED January 9, 2014

ATTEST Denise DeVore
CLERK OF COUNCIL

APPROVED January 9, 2014