

Originator Finance	Item Budgetary and Financial Control Policy Revisions Approval
Agenda Section	Date 12/15/2014

Description

To improve the cash flow within the General Fund, the Budgetary and Financial Control Policy has been revised to increase the required year end fund balance level. The Minnesota State Auditors recommended Fund Balance level is 35% to 50% of the following years budgeted expenditures.

The current policy of 50% of the following years General Fund portion of property taxes approximates the 35% low range of the recommended amount.

The revised policy would have the range required as 35% to 40% of the General Fund revenues and/or expenditures of the balanced budget for the following year. Each year the goal is to increase the fund balance requirement by up to 1.00% per year until it reaches 40%.

When downturn strategies are implemented, fund balance over the 35% floor can be used to reduce tax increases or for any other funding approved by City Council.

Requested Action

Request Council to approve the revised Budgetary and Financial Control Policy (amended from 12/1/14 proposed version).

Attachments:

Budgetary and Financial Control Policy Presentation

Policy to be provided Friday.

