RESOLUTION NO.: R-

Adopting Policy on General Fund Unassigned Fund Balance Reserve Policy

WHEREAS, the City of Columbia (the "City") and her citizens seeks to adopt a General Fund unassigned fund balance reserve policy in order to improve and maintain the City's financial stability;

WHEREAS, the City, on behalf of the people of Columbia, through adopting a General Fund unassigned fund balance reserve policy seek to protect the City from unforeseen revenue fluctuations; sudden changes in spending requirements; natural disasters or major emergencies; major infrastructure failures and unexpected litigation;

BE IT RESOLVED by the Mayor and Council this ___ day of _____, that through good fiscal management, the following general fund reserve policy is hereby adopted:

1. The General Fund unassigned fund balance should be equal to a minimum of 15% and a maximum of 25% of the current fiscal year budgeted General Fund revenues.

2. Any unassigned fund balance determined to be in excess of the maximum reserve requirement may be made available for expenditure, but only under specific qualifications. These qualifications include uses for one-time capital and special one-time project costs. These expenditures should be carefully considered to insure that they add to the efficiency, development or cost effectiveness of the City.

3. In the event that at the end of the fiscal year, the General Fund unassigned fund balance falls below the minimum 15% of current fiscal year budgeted General Fund revenues, a replenishment period will commence.

4. To return the General Fund unassigned fund balance reserve to the minimum 15% of current fiscal year budgeted General Fund revenues, replenishment of General Fund unassigned fund balance will be budgeted over the next two fiscal years beginning with the subsequent year's adopted budget. The replenishment period can be extended to three years if deemed appropriate by City Council.