

RESOLUTION 12-20-01

TO ADOPT AND APPROVE A GENERAL FUND RESERVE POLICY.

WHEREAS, the City of Hartsville needs to adopt and approve a policy for General Fund Reserves to maintain a stable financial base; and

WHEREAS, It is the goal of the City to achieve and maintain an unassigned General Fund reserve in the range of 15% to 17% of budgeted expenditures, and

WHEREAS, the proposed policy will also secure and maintain the city's investment grade bond ratings.

NOW, THEREFORE BE IT RESOLVED, by the Mayor and Council of the City of Hartsville that the General Fund Reserve Policy as shown below is hereby adopted and approved.

GENERAL FUND RESERVE BALANCE POLICY

DEFINITION

Unassigned Fund Balance – Fund balance reported as “unassigned” represents the residual classification of fund balance and includes all spendable amounts not contained within the other classifications.

POLICY ON UNASSIGNED GENERAL FUND BALANCE

It is the goal of the City to achieve and maintain an unassigned General Fund reserve in the range of 15% to 17% of budgeted expenditures. The City considers a balance of less than 15% to be a cause for concern, barring unusual or deliberate circumstances, and a balance of more than 30% as excessive. An amount in excess of 30% is to be considered for reservation to accumulate funding for capital projects and equipment, and/or to reduce the tax levy requirements, and shall be determined in conjunction with the annual budget process. In the event that the unassigned General Fund reserve is less than the policy anticipates, the City shall plan to adjust budget resources in the subsequent fiscal years to restore the balance. The City anticipates a three-year time frame to increase the General Fund reserve to the 15% to 17% range, based on previous audit findings, previous annual budgeted expenditures, capital planning, and consideration of emergency expenditures.

NOW, THEREFORE BE IT FURTHER RESOLVED, by the Mayor and Council of the City of Hartsville that the City Manager, or designee, is hereby authorized to execute all necessary documents to effectuate this policy.

NOW, THEREFORE BE IT FINALLY RESOLVED IN MEETING DULY ADVERTISED AND ASSEMBLED on the 8th day of December, 2020.

Carl M. (Mel) Pennington IV, Mayor

ATTEST: _____
Sherron L. Skipper, City Clerk