

**RESOLUTION 2011-03**

**A RESOLUTION ESTABLISHING MINIMUM FUND BALANCES FOR THE CITY OF GARIBALDI**

**WHEREAS,** The City Council of Garibaldi recognizes the need to maintain a minimum cash balance for each operating fund of the City to ensure an adequate operational cash flow; and

**WHEREAS,** The staff of the City of Garibaldi has analyzed these operating funds and recommends that a minimum balance be established each fiscal year based on a percentage of the total operational cost for that year; NOW THEREFORE,

**THE COMMON COUNCIL OF THE CITY OF GARIBALDI RESOLVES AS FOLLOWS:**

**Section 1.** The following amounts and methodologies are established as the minimum cash balances for each of the following funds for the Fiscal Year 2011-2012:

	<b>General Fund</b>	<b>Street Fund</b>	<b>Wastewater Fund</b>	<b>Water Fund</b>
<i>Ending Fund Balance as of June 30, 2011</i>	\$ 429,874.00	\$ 97,883.00	\$ 313,109.00	\$ 96,596.77
<b>Minimum Cash Balance for FY 2011-2012</b>	<b>\$ 227,600.00</b>	<b>\$ 35,400.00</b>	<b>\$ 237,000.00</b>	<b>\$ 72,900.00</b>
<i>Projected Budgetary Surplus</i>	\$ 202,274.00	\$ 62,483.00	\$ 76,109.00	\$ 23,696.77

*General Fund = 65% of Operations & Maintenance*

*Street Fund = 33% of Operation & Maintenance*

*Wastewater Fund = 33% of Operation & Maintenance, and 100% of Debt Requirement*

*Water Fund = 33% of Operation & Maintenance*

**Section 2.** The City Council hereby establishes a policy that the City Manager will strive to maintain the *Minimum Cash Balances* identified in Section 1. for the purpose of providing adequate cash-flow for City operations. These balances are identified on the City's financial balance sheet as provided to the Council at the regular meeting of each month. This policy encourages the City Manager to reduce expenditures and/or eliminate costs expected to deplete the actual cash balances below these figures during the fiscal year. If the City Manager expects actual cash balances to fall below the established reserve figures, the City Manager is expected to report this situation to the Council at the earliest opportunity. The City Manager has the authority to deplete these cash balances below the established figures if he/she deems it necessary for the timely and proper payment of City encumbrances.

**PASSED BY THE COMMON COUNCIL AND APPROVED BY THE MAYOR,** this 18<sup>th</sup> day of April 2011.

  
Hon. Suzanne McCarthy, Mayor

ATTEST:

  
John O'Leary, City Manager