Agenda Memorandum – *City of Inverness*

CITY COUNCIL APPROVAL
DATE: 10/18/16

DATE: **October 14, 2016**

ISSUE: **Reserve Fund Balance Designations – Resolution**

FROM: **City Manager**

CC: **City Clerk, Finance Director**

ATTACHED: **Resolution**
Memo by Sheri Chiodo

Reference is made to attachments.

The importance of maintaining adequate reserve fund balances cannot be overstated. The Inverness community enjoys a constant stream of project accomplishments that are directly tangible to the financial stability that reserve funds provide. With the commencement of each fiscal year, City Council designates available reserve fund balances to specific purposes. The purpose of this action is to manage funds to support specific elements of the community. A Resolution has been prepared for this purpose that once adopted, will become part of the annual auditor review. (See Exhibit A of the Resolution)

Fund Balance Designations

- Total General Fund: $6,353,397
- Whispering Pines Park Fund: $347,480
- Capital Improvement Projects Fund: $1,432,356
- Utility Funds: $4,912,802
- Cemetery Fund: $550,645
- Transportation Impact Fees: $525,645
- Road Improvement Fund: $13,999
- Pension Assets: $409,045
- ICRA Fund: $60,156

Total City reserves, designations, and unreserved funds total $14,605,525.

Recommended Action –

1. Motion, second and vote to read the Resolution by title
    a. Clerk reads Resolution title
2. Deliberate the manner
3. To proceed, motion and second to adopt the Resolution by roll-call

Frank DiGiovanni

RESOLUTION 2016-22

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF INVERNESS, FLORIDA ESTABLISHING FUND BALANCE RESERVE DESIGNATIONS FOR FISCAL YEAR 2017 AND PROVIDING FOR AN EFFECTIVE DATE.

WHEREAS, the City Council of the City of Inverness desires, from time to time, to earmark or segregate unreserved, undesignated Fund Balance for planning and preparing for future uses; and

WHEREAS, the City Council desires to regulate the use of said funds, and allow their appropriation for expenditure only under specific circumstances and with appropriate controls for the protection of the City's interest,

NOW, THEREFORE, BE IT ENACTED BY THE CITY COUNCIL OF THE CITY OF INVERNESS as follows:

Section 1. That the unreserved, undesignated Fund Balance of any governmental fund may be, from time to time, earmarked or segregated for purposes identified by the City Council, by resolution.

Section 2. That designations of Fund Balance created under Section 1 of this resolution may be amended, increased, decreased or appropriated, by recommendation of the City Manager and upon adoption of a resolution of the City Council.

Section 3. That the designations listed in Exhibit A attached are hereby established effective October 1, 2016 and shall remain until amended, deleted or appropriated for expenditure by the City Council.

Section 4. All resolutions or parts of resolutions in conflict herewith shall be and hereby are repealed.

Section 5. That this resolution shall become effective on October 18, 2016.

PASSED AND ADOPTED this 18th day of October, 2016.

CITY OF INVERNESS

By: _____
DAVID RYAN
President of City Council

ATTEST:

_____
SUSAN JACKSON
Interim City Clerk

EXHIBIT A
RESOLUTION 2016-22

DESIGNATION/RESERVES	**AMOUNT**	
GOVERNMENTAL FUNDS		
GENERAL FUND (0001)		
COMMITTED FUND BALANCE		
Land Acquisition Reserve	$ 250,687	
Employee Accrual Balance	$ 146,000	
Disaster Preparation	$ 500,000	
IGC Building Maintenance Reserve	$ 562,878	
Valerie Theatre Building Reserve	$ 43,125	
Fire Services Reserve	$ 25,000	
Capital Equipment Purchases	$ 210,000	
Tort Liability	$ 200,000	
TOTAL GENERAL FUND COMMITTED FUND BALANCE	**$1,937,690**	
RESERVED FUND BALANCE		
Prepaid Items	**$ 60,000**	
UNASSIGNED FUND BALANCE	**$4,355,707**	
TOTAL GENERAL FUND - FUND BALANCE		**$6,353,397**
WHISPERING PINES PARK FUND		
UNASSIGNED FUND BALANCE	**$347,480**	
TOTAL WHISPERING PINES PARK FUND BALANCE		**$ 347,480**
CAPITAL IMPROVEMENT FUND		
Designated For Capital Projects	**$1,432,356**	
TOTAL CAPITAL IMPROVEMENT FUND		**$1,432,356**
TOTAL GOVERNMENTAL FUNDS		**$8,133,233**
PROPRIETARY FUNDS (ENTERPRISE)		
REVENUE FUND		
Unrestricted	$ 140,400	
TOTAL REVENUE FUND		**$ 140,400**
OPERATIONS AND MAINTENANCE FUND		
Restricted – Customer Deposits	$ 238,948	
Restricted – Capacity Fees	$ 609,271	
TOTAL RESTRICTED RESERVES	$ 848,219	
Unrestricted	$3,410,054	
TOTAL OPERATIONS AND MAINTENANCE		**$4,258,273**

RENEWAL AND REPLACEMENT FUND-UTILITIES

Designated – Capital Equipment	$ 415,000	
Unrestricted Fund Balance	$ 99,129	
TOTAL RENEWAL AND REPLACEMENT FUND		**$ 514,129**
TOTAL UTILITY FUND		**$4,912,802**

CEMETERY FUND

Reserve for Perpetual Care	$ 530,049	
Unrestricted Fund Balance	$ 20,596	
TOTAL CEMETERY FUND		**$ 550,645**
RESERVE FOR TRANSPORTATION IMPACT FEES		**$ 525,645**
RESERVE FOR ICRA – COMPONENT UNIT		**$ 60,156**
RESERVE FOR ROAD IMPROVEMENTS		**$ 13,999**
RESERVE FOR PENSION FUND ASSETS		**$ 409,045**
TOTAL RESERVES AND FUND BALANCES		**$14,605,525**

FINANCE DEPARTMENT

212 W. Main Street
Inverness, FL 34450
(352) 726-5016 Phone
(352) 726-5534 Fax

Memorandum

To: Frank DiGiovanni, City Manager

From: Sheri Chiodo, Director of Finance

CC: Susan Jackson, Interim City Clerk
Paula Carnevale, Assistant Finance Director

Date: October 12, 2016

Reference: Fiscal Year 2017 Fund Balance Designations

Annually through the budgetary process, Council establishes fund balance designations and reserves for future intended uses.

The Fiscal Year 2017 budget establishes designations, reserves and unrestricted fund balance totaling $6,353,397 in the General Fund, $347,480 in the Whispering Pines Park Fund, $1,432,356 in the Capital Improvement Projects Fund, $4,912,802 in the Utility Funds, $ 550,645 in the Cemetery Fund, $525,645 in Transportation Impact Fees, $13,999 in the Road Improvement Fund, $409,045 in pension assets and $60,156 in the ICRA Fund. Total City reserves, designations, and unreserved funds total $14,605,525. Exhibit A of the enclosed resolution identifies those designations. Designations are earmarked for specific purposes and may be amended during the budgetary process annually by recommendation of the City Manager and adoption of a resolution by City Council. Designations remain until amended, deleted or appropriated for expenditure.

Forwarded is the recommended resolution format for council adoption and an Exhibit A, which details the fund balance designations by fund and type.

CASH RESERVE BALANCES	10/1/2016	2017 ANTICIPATED REVENUES	2017 PROJECTED EXPENDITURES	2017 ENDING BALANCE	2017 INC/(DEC)
GENERAL FUND					
Unrestricted*	$ 4,410,449	$ 8,403,173	$ (8,457,915)	$ 4,355,707	$ (54,742)
Designated Land	$ 500,687	$ 100,000	$ (350,000)	$ 250,687	$ (250,000)
Designated Tort Liability	$ 200,000			$ 200,000	$ -
Designated-Disaster Preparation	$ 500,000			$ 500,000	$ -
Designated - IGC Building Reserve	$ 454,216	$ 168,662	$ (60,000)	$ 562,878	$ 108,662
Designated - Valerie Building Reserve (2 Yrs)	$ -	$ 43,125		$ 43,125	$ 43,125
Designated Reserve - Employee Accruals	$ 146,000			$ 146,000	$ -
Designated- Fire Services	$ 25,000			$ 25,000	$ -
Reserve-Prepaid Items	$ 60,000			$ 60,000	$ -
Reserve-Capital Equipment	$ 392,000	$ 50,000	$ (232,000)	$ 210,000	$ (182,000)
General Fund Total	$ 6,688,352	$ 8,764,960	$ (9,099,915)	$ 6,353,397	$ (334,955)
Whispering Pines Park	$ 347,480	$ 569,114	$ (569,114)	$ 347,480	$ -
Road Improvement Fund	$ 13,699	$ 300	$ -	$ 13,999	$ 300
Community Development Block Grant	$ (0)	$ -	$ -	$ (0)	$ -
Inverness Community Redevelopment Agency	$ 70,156	$ 1,247,435	$ (1,257,435)	$ 60,156	$ (10,000)
CAPITAL FUNDS					
Unrestricted	$ 2,202,606	$ 6,634,850	$ (7,405,100)	$ 1,432,356	$ (770,250)
Restricted				$ -	
TOTAL CAPITAL PROJECTS	$ 2,202,606	$ 6,617,350	$ (7,405,100)	$ 1,432,356	$ (770,250)
Oak Ridge Cemetery	$ 73,021	$ 103,500	$ (155,925)	$ 20,596	$ (52,425)
Perpetual Care	$ 516,349	$ 13,700	$ -	$ 530,049	$ 13,700
TOTAL NON-UTILITY RESERVES	**$ 9,911,663**	**$ 17,316,359**	**$ (18,487,489)**	**$ 8,758,033**	**$ (1,153,630)**

CASH RESERVE BALANCES	10/1/2016	2017 ANTICIPATED REVENUES	2017 PROJECTED EXPENDITURES	2017 ENDING BALANCE	2017 INC/(DEC)
UTILITY FUNDS					
REVENUE FUND					
Unrestricted	$ 316,449	$ 3,624,581	$ (3,800,630)	$ 140,400	$ (176,049)
TOTAL REVENUE FUND	$ 316,449	$ 3,624,581	$ (3,800,630)	$ 140,400	$ (176,049)
OPERATIONS & MAINTENANCE FUND					
Unrestricted	$ 3,638,351	$ 2,635,882	$ (2,864,179)	$ 3,410,054	$ (228,297)
Restricted - Customer Deposits	$ 238,948			$ 238,948	$ -
Restricted - Debt Service	$ -			$ -	$ -
Designated - Capital Construction	$ -			$ -	$ -
Restricted - Capacity Fees (was Connection)	$ 599,271	$ 10,000		$ 609,271	$ 10,000
Restricted - 25% Excess	$ -			$ -	$ -
TOTAL OPERATIONS & MAINTENANCE	$ 4,476,570	$ 2,645,882	$ (2,864,179)	$ 4,258,273	$ (218,297)
RENEWAL & REPLACEMENT FUND					
Unrestricted	$ 79,129	$ 1,779,748	$ (1,759,748)	$ 99,129	$ 20,000
Restricted Debt Proceeds - WWTP					$ -
Reserve - Water Quality Projects					$ -
Designated - Capital Equipment Fund	$ 450,000		$ (35,000)	$ 415,000	$ (35,000)
TOTAL RENEWAL & REPLACEMENT	$ 529,129	$ 1,779,748	$ (1,794,748)	$ 514,129	$ (15,000)
TOTAL UTILITY CASH RESERVES	**$ 5,322,149**	**$ 8,050,211**	**$ (8,459,557)**	**$ 4,912,803**	**$ (409,346)**
Impact Fee Fund	**$ 493,945**	**$ 31,700**	**$ -**	**$ 525,645**	**$ 31,700**
Pension Fund - Restricted	**$ 401,545**	**$ 25,000**	**$ (17,500)**	**$ 409,045**	**$ 7,500**
TOTAL CASH RESERVE BALANCES	**$ 16,129,301**	**$ 25,423,270**	**$ (26,964,546)**	**$ 14,605,525**	**$ (1,523,776)**