

RESOLUTION TO ESTABLISH A MINIMUM AVAILABLE FUND BALANCE POLICY

WHEREAS, for the purpose of improving and maintaining fiscal responsibility as required under the Local Government Budget and Fiscal Control Act, NC General Statute Chapter 159, it is prudent to establish a clear policy defining the level of undesignated available fund balance to be held in reserve by the City of Marion; and

WHEREAS, the North Carolina Local Government Commission is charged with overseeing the fiscal health of cities and counties and recommends a minimum undesignated available fund balance reserve of no less than eight percent (8%) of expenditures; and

WHEREAS, it is necessary to maintain undesignated available fund balance reserve to provide appropriate cash flow for operation of City services, to address emergencies and unexpected opportunities, to increase the potential for investment income, and to enhance the City's credit rating to provide the City the ability to borrow funds at the lowest possible interest rate.

WHEREAS, the City Council of the City of Marion establishes the following goals regarding maintaining an adequate and appropriate minimum undesignated available fund balance in the General Fund.

NOW, THEREFORE, BE IT RESOLVED, by the City Council of the City of Marion that:

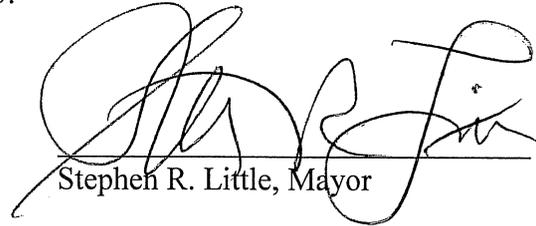
Section 1. The minimum undesignated available fund balance policy for the General Fund instructs management to conduct the business of the City in such a manner that undesignated available fund balance is at least equal to or greater than 25% of budgeted expenditures.

Section 2. Once the City achieves its goal for the minimum undesignated available fund balance, the fund balance amount exceeding the targeted amount may be appropriated for any one-time expenditure. The fund balance available amount exceeding the targeted amount should not be considered a recurring source of funds and should only be appropriated for non-recurring expenditures.

Section 3. The Budget Officer shall prepare a report documenting the status of the undesignated available fund balance to the City Council as part of the annual budget preparation.

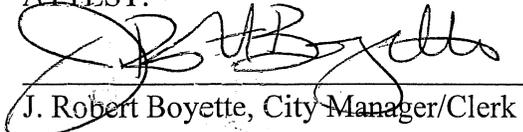
Section 4. This resolution shall take effect immediately upon its passage.

ADOPTED this the 17th day of September 2013.



Stephen R. Little, Mayor

ATTEST:



J. Robert Boyette, City Manager/Clerk

Resolution Number: R-13-09-17-1