



City of North Port

RESOLUTION NO. 2016-R-20

(ECONOMIC STABILITY POLICY)

A RESOLUTION OF THE CITY OF NORTH PORT, FLORIDA PROVIDING FOR THE ADOPTION AND ESTABLISHMENT OF AN ECONOMIC STABILITY POLICY; PROVIDING FOR CONFLICTS; PROVIDING FOR SEVERABILITY; AND PROVIDING FOR AN EFFECTIVE DATE.

WHEREAS, the City desires to adopt and establish an economic stability policy as a plan to manage its financial resources for selected funds.

NOW, THEREFORE, BE IT RESOLVED BY THE CITY COMMISSION OF THE CITY OF NORTH PORT, FLORIDA TO WIT:

SECTION 1 – ECONOMIC STABILITY POLICY

- 1.01 - The City Commission hereby approves the Economic Stability Policy attached hereto and incorporated herein as Exhibit A.

SECTION 2 – CONFLICTS

- 2.01 - In the event of any conflict between the provisions of this Resolution and any other ordinance, resolution, or portions thereof, the provisions of this Resolution shall prevail to the extent of such conflict.

SECTION 3 – SEVERABILITY

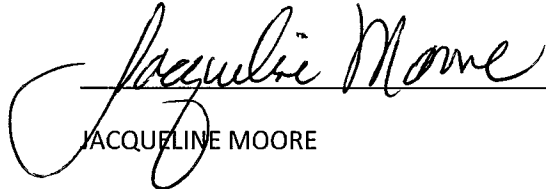
- 3.01 - If any section, subsection, phrase or portion of this Resolution is for any reason held invalid or unconstitutional by any court of competent jurisdiction, such portion shall be deemed a separate, distinct and independent provision and such holding shall not affect the validity of the remaining portions thereof.

SECTION 4 — EFFECTIVE DATE

4.01 - The provisions of this Resolution shall take effective immediately upon its adoption.

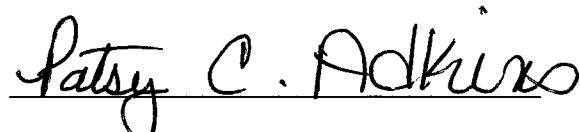
PASSED AND ADOPTED by the City Commission of the City of North Port, Florida this 28th day of July, 2016.

CITY OF NORTH PORT, FLORIDA



JACQUELINE MOORE
MAYOR


ATTEST:



PATSY ADKINS

INTERIM CITY CLERK

APPROVED AS TO FORM AND CORRECTNESS:



MARK MORIARTY

CITY ATTORNEY

EXHIBIT A

City of North Port Stabilization Arrangement

Purpose:

The City passed Resolution No. 2011-R-14, Fund Balance Policy, on April 20, 2011. This policy was designed to adopt and establish a fund balance policy as a plan to manage its financial resources for selected funds. This policy set a range of fund balance to be set aside to maintain a prudent level of financial resources to protect against reducing service levels or raising taxes and fees because of temporary revenue shortfalls, natural disasters or unexpected one-time expenditures. The policy also sets forth what is to be done if fund balance has a shortfall or surplus.

The City is setting up an Economic Stability Policy to address any surplus that exists in these funds above the Fund Balance Policy range. Under this Policy, the City Commission will, through Resolution, commit up to an additional 10% of the ensuing year's budgeted expenditures to cover any anticipated short-term budgetary shortfalls in the ensuing 5 years.

For the purpose of reporting fund balance under GASB 54, the Economic Stability Policy is for stabilization, which is considered a specific purpose and to which the government is bound to honor constraints on the specific purposes or circumstances for which the amount in those funds can be spent. The City has set aside the amounts listed in the Economic Stability Policy in all of the funds covered by the Fund Balance Policy. These reserves may be reported as part of the Committed Fund Balance in accordance with GASB 54 provided the following requirements are met:

- **Highest Level of decision making authority** – City Commission
- **Formal Action Required to Establish, Modify or Rescind** – City Commission resolution or ordinance.
- **Parameters for Establishment** – Established through formal City Commission action describes the specific circumstances under which need for Economic Stability arises and parameters for spending funds. In the case of the Economic Stability Policy, spending of these funds will be to cover expected short-term budgetary shortfalls in the ensuing 5 years.
- **Removal or Modification of Reserve Balances** – Any changes or removal of the reserve balances and any modifications to the specified use will require the same type of formal action taken to establish the reserve balance.