



## Legislation Text

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**File #:** 18-128, **Version:** 1

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**TO:** Honorable Mayor & Members of the North Port Commission

**FROM:** Peter D. Lear, CPA, CGMA, City Manager

**TITLE:** Discuss the City's current Fund Balance and Economic Stability Policies and review recommended changes.

### **Recommended Action**

Discuss the City's current Fund Balance and Economic Stability Policies and review recommended changes to the Fund Balance Policy resolution.

### **Background Information**

On April 20, 2011, in recognition that it is essential for governments to maintain adequate levels of fund balance to mitigate current and future risks such as revenue shortfalls, natural disasters, unanticipated expenditures, and to ensure stable tax rates, the City Commission adopted Resolution 2011-R-14, the City of North Port Fund Balance Policy.

On July 28, 2016, the City Commission adopted Resolution 2016-R-20 to establish an Economic Stability Policy to address any surplus that exists in these funds above the Fund Balance Policy range. 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 Commission directed staff to bring back one resolution encompassing both policies into one Fund Balance Policy. The attached draft fund balance policy is submitted as the recommended resolution.

### **Strategic Plan**

Financially Responsible City Providing Quality Municipal Services

### **Financial Impact**

**N/A**

### **Procurement**

**N/A**

### **Attachments:**

1. 2018-R-## Fund Balance Policy DRAFT 2018-0306
2. 2011-R-14 Fund Balance Policy
3. 2016-R-20 Economic Sustainability Policy

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