



City of North Port

RESOLUTION NO. 2020-R-26

A RESOLUTION OF THE CITY COMMISSION OF THE CITY OF NORTH PORT, FLORIDA, REPEALING RESOLUTION NO. 2018-R-13; ADOPTING A FUND BALANCE POLICY; INCORPORATING RECITALS; PROVIDING FOR CONFLICTS; PROVIDING FOR SEVERABILITY; AND PROVIDING AN EFFECTIVE DATE.

WHEREAS, 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; and

WHEREAS, Resolution No. 2018-R-13 approved a new fund balance policy and repealed the previously adopted fund balance and economic stability policies; and

WHEREAS, this policy restates and revises the policy adopted in Resolution No. 2018-R-13 by omitting the minimum requirements in the Budget Stabilization and Economic Uncertainty Reserves; and

WHEREAS, the City's reserve policies are based on sound fiscal principles designed to allow the City to maintain continuity of operations in adverse conditions while being mindful of our fiduciary responsibility to taxpayers, both current and future generations; and

WHEREAS, adequate fund balance levels are an essential component of the City's overall financial management strategy, an important factor in external bond rating agencies' measurement of the City's financial strength, and that these Financial Reserve Policies will need to be adjusted from time to time as conditions change; and

WHEREAS, the City lies within a coastal zone highly susceptible to hurricane and storm damage; and

WHEREAS, debt service funds will be maintained as required by bond covenants; and

WHEREAS, there exists uncertainty in the economic markets around the world, in regard to the cost of construction materials, interest rates, personnel costs, medical insurance costs, and general inflation; and

WHEREAS, each sizable fund has been analyzed to determine the type of risk it may be exposed to, the duration of the risk, methods to mitigate that risk, and the amount of funds needed to mitigate against that risk; and

WHEREAS, the City's Financial Reserves Policy acts to mitigate other forms of uncertainty such as changes in the tax and spending policies of federal and state governments; imposition of mandates by federal and state governments or the courts; financial impacts of labor agreements, particularly those stemming from collective bargaining; repairs and replacement of the City's aging infrastructure; unforeseen increases in energy costs; and

WHEREAS, the City calculates the reserve amount at the conclusion of each fiscal year; and

WHEREAS, the City Commission finds that this policy serves the public health, safety, and welfare of the citizens of the City of North Port, Florida.

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

SECTION 1 – INCORPORATION OF RECITALS

1.01 The above recitals are hereby ratified and confirmed as being true and correct and are incorporated herein by reference.

SECTION 2 – REPEAL

2.01 The City Commission hereby repeals Resolution No. 2018-R-13 in its entirety.

SECTION 3 – ADOPTION OF FUND BALANCE POLICY

3.01 The City Commission adopts Policy No. 2020-05, "Fund Balance Policy," attached hereto and incorporated as if set forth herein, as an administrative policy of the City Commission of the City of North Port.

SECTION 4 – CONFLICTS

4.01 In the event of any conflicts between the provisions of this resolution and any other resolution, the provisions of this resolution shall prevail to the extent of such conflict.

SECTION 5 – SEVERABILITY

5.01 If any section, subsection, sentence, clause, phase, or provision of this resolution is for any reason held invalid or unconstitutional by any court of competent jurisdiction, such provision shall be deemed a separate, distinct, and independent provision and such holding shall not affect the validity of the remaining portions hereof.

SECTION 6 – EFFECTIVE DATE

6.01 This resolution shall take effect immediately after adoption by the City Commission of the City of North Port, Florida.

PASSED and DULY ADOPTED by the City Commission of the City of North Port, Florida, in public session this 17th day of September 2020.

CITY OF NORTH PORT, FLORIDA

Debbie McDowell

DEBBIE MCDOWELL
MAYOR

ATTEST

Heather Taylor
HEATHER TAYLOR, CMC
CITY CLERK

APPROVED AS TO FORM AND CORRECTNESS

Amber L. Slayton
AMBER L. SLAYTON
CITY ATTORNEY