



**City of Coral Gables
CITY COMMISSION MEETING
January 26, 2016**

ITEM TITLE:

Resolution repealing Resolution 2004-196 and amending Resolution 2012-25 to establish General Fund and Insurance Fund Reserve policies; and providing an effective date.

DEPARTMENT HEAD RECOMMENDATION:

Approval.

BRIEF HISTORY:

On September 4, 2004 the City Commission approved Resolution 2004-196 to adopt a reserve policy in order to build General Fund reserves. At that time, acceptable reserve amounts were between 10% and 15% of the annual operating budget. Resolution 2004-196 set the reserve level at 10%.

On January 24, 2012 the City Commission approved Resolution 2012-25 to adopt a fund balance policy in compliance with Government Accounting Standards Board Statement No. 54. This resolution defined and explained the various levels of fund balance, e.g. Restricted, Committed, Assigned and Unassigned. However it did not include language addressing or changing reserve requirements.

Current acceptable reserve levels, especially for Cities with excellent S&P and Moody's bond ratings are now in a higher range of 20% to 25%. This resolution repeals Resolution 2004-196 and amends Resolution 2012-25 to officially raise the General Fund reserve percentage from 10% to 25% and to include reserve requirement language in the fund balance policy.

LEGISLATIVE ACTION:

Date:	Resolution/Ordinance No.	Comments
1/24/12	Resolution 2012-25	Approved by Commission
9/4/04	Resolution 2004-196	Approved by Commission

APPROVED BY:

Department Director	City Attorney	City Manager

ATTACHMENT(S):

1. Proposed Resolution
2. Resolution 2004-196
3. Resolution 2012-25