

BILL NO.: 5059

ORDINANCE NO.: _____

Introduced by: City Manager Nathan Mai-Lombardo

**AN ORDINANCE OF THE CITY OF BERKELEY AMENDING THE FINANCIAL POLICY
AND PROCEDURES MANUAL CHAPTER XII: FUND BALANCE POLICY (GASB 54)**

**NOW, THEREFORE, BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF BERKELEY,
MISSOURI, AS FOLLOWS:**

- Section 1.** The City of Berkeley hereby adopts the attached amended Fund Balance Policy (GASB 54).
- Section 2.** The Ordinance which conflicts with this ordinance is hereby repealed.
- Section 3.** The Ordinance shall be in full force and effect from and after the date of its passage.

1st Reading this _____ day of _____ 2024
2nd Reading this _____ day of _____ 2024
3rd Reading, PASSED and APPROVED, this _____ day of _____ 2024

Babatunde Deinbo, Mayor

ATTEST:

Deanna L. Jones, City Clerk

Approved as to Form:
Donnell Smith, City Attorney

Final Roll Call:

Vacant	Aye ___	Nay ___	Absent ___	Abstain ___
Councilwoman Williams	Aye ___	Nay ___	Absent ___	Abstain ___
Councilman Hoskins	Aye ___	Nay ___	Absent ___	Abstain ___
Councilwoman Anthony	Aye ___	Nay ___	Absent ___	Abstain ___
Councilman Hindeleh	Aye ___	Nay ___	Absent ___	Abstain ___
Councilwoman-at-Large Crawford-Graham	Aye ___	Nay ___	Absent ___	Abstain ___
Mayor Deinbo	Aye ___	Nay ___	Absent ___	Abstain ___

Chapter XII

Fund Balance Policy (GASB 54)

The Fund Balance Policy of the City's General Fund establishes minimum cash reserve levels to ensure stable service delivery, meet future needs, and to protect against financial instability. The City will maintain a minimum unassigned fund balance in its General Fund of 20% (twenty percent) of the subsequent years budgeted expenditures and outgoing transfers. When the fund balance falls below the 20% range, the City will replenish the deficiencies using the budget strategies described below.

1. The City will reduce recurring expenditures to eliminate any structural deficit.
2. The City will increase revenues or pursue other funding sources.
3. The City may also complete a combination of the options above to achieve desired results.

If there is a deficiency in the General Fund balance in which it falls below 20 percent threshold the City will use the previous methods to replenish the balance for a period not to exceed three years.

If the General Fund balance exceeds the maximum 20% range, the City will consider such fund balance surpluses for one-time expenditures that are nonrecurring in nature and will not require additional future expenses outlays for maintenance, additional staffing, or other recurring expenditures.

A minimum contingency of \$200,000 shall be incorporated in every Council-approved budget. All committed, restricted, and assigned appropriations (funds) must be identified as such for all approved budgets.