

ORDER REVISING UNRESTRICTED GENERAL FUND RESERVE POLICY.

WHEREAS, the 2001 General Fund Reserve Policy prescribes that effective October 1, 2003, the Unrestricted General Fund Reserve will be 5.5% of the adopted General Fund operating revenues, effective October 1, 2004, the Unrestricted General Fund Reserve will be 6.5% of the adopted General Fund operating revenues, and effective October 1, 2005, and thereafter the Unrestricted General Fund Reserve will be 7.5% of the adopted General Fund operating revenues; and

WHEREAS, the City has funded the reserve level cited in the policy through FY 2003-2004; and

WHEREAS, the City has determined that the increase of 1% from 5.5% to 6.5% of General Fund operating revenues effective October 1, 2004 is prohibitive due to unexpected increases in gas prices and the employer contribution to the public employees retirement system; and

WHEREAS, the City remains committed to funding the reserve at 7.5% over the next four fiscal years;

IT IS, THEREFORE, ORDERED that the 2001 General Fund Reserve Policy be revised.

IT IS FURTHER ORDERED, that effective October 1, 2004, the Unrestrictive General Fund Reserve will be 6.0% of the adopted General Fund operating revenues effective October 1, 2005, the Unrestrictive General Fund Reserve will be 6.5% of the adopted General Fund operating revenues, effective October 1, 2006, the Unrestricted General Fund Reserve will be 7.0% of the adopted General fund operating revenues, and effective October 1, 2007, and thereafter the Unrestricted General Fund Reserve will be 7.5% of the adopted General Fund operating revenues.

APPROVED FOR AGENDA:

DIVISION MANAGER
DEPUTY DIRECTOR
DEPARTMENT DIRECTOR
FINANCE
BUDGETED YES NO ACCT.# _____
LEGAL
EBO
CAO
MAYOR'S OFFICE

INITIALS

DATE

RH
AR
CPW
PLA
(TW)
for
1/28/03

8/31/04
8/31/04
8-31-04
9-1-04
9/1/04
9/1/04
9/1/04

ITEM # _____
AGENDA DATE _____
BY: MELVIN, HILL, JOHNSON, JR.