



City of Norman, OK

Municipal Building
Council Chambers
201 West Gray
Norman, OK 73069

Master

File Number: R-1415-79

File ID: R-1415-79

Type: Resolution

Status: Consent Item

Version: 1

Reference: Item 22

In Control: City Council

Department: Finance Department

Cost: \$326,505.00

File Created: 01/27/2015

File Name: Budget appropriation to the Rainy Day Fund

Final Action:

Title: RESOLUTION R-1415-79: A RESOLUTION OF THE COUNCIL OF THE CITY OF NORMAN, OKLAHOMA, APPROPRIATING \$326,505 FROM THE GENERAL FUND BALANCE FOR TRANSFER TO THE NET REVENUE STABILIZATION (RAINY DAY) FUND AS RECOMMENDED BY THE FINANCE COMMITTEE.

Notes: ACTION NEEDED: Motion to adopt or reject Resolution R-1415-79.

ACTION TAKEN: _____

Agenda Date: 02/10/2015

Agenda Number: 22

Attachments: R-1415-79

Project Manager: Anthony Francisco, Director of Finance

Entered by: Ellen.Usry@normanok.gov

Effective Date:

History of Legislative File

Ver- sion:	Acting Body:	Date:	Action:	Sent To:	Due Date:	Return Date:	Result:

Text of Legislative File R-1415-79

Body

BACKGROUND: Pursuant to the Norman City Code, Section 8-103-104 (ET. Seq.), the City Council has established reserve policies to ensure the operations of the City of Norman's General Fund in times of extraordinary expenses or revenue shortfalls; address emergency expenditure requirements; and/or to address major, unforeseen capital facility needs. Under this requirement, the City must have, at minimum, the following reserves:

An Operating General Fund Balance of three percent (3%) of budgeted expenditures; plus

An Emergency Reserve Appropriation in the General Fund of at least two percent (2%) of budgeted expenditures; plus

An additional Fund Balance in a separate Net Revenue Stabilization ("Rainy Day") Fund of three percent (3%) of budgeted expenditures.

Taken together, these minimum reserves are required to be at least eight percent (8%) of General Fund expenses. The policy further sets a targeted "Rainy Day" Fund balance of 4.5% of General Fund expenditures (bringing targeted reserves to a total of 9.5% of General Fund expenses).

DISCUSSION: Upon the adoption of the fiscal year 2014-2015 (FYE 2015) budget, the City had met its minimum reserve requirements. The Council directed, through its budgetary actions, to bring the Rainy Day Fund toward its Targeted balance. The FYE 2015 budget appropriated funds in the Public Safety Sales Tax Fund to be transferred to the Rainy Day Fund to cover the proportion of the General Fund budget made up by the Police and Fire Departments. This appropriated transfer of PSST funds, totaling \$292,885, is being implemented through monthly transfers.

At the Finance Committee's mid-year budget review, an analysis was done of the General Fund's ability to make additional transfers (deposits) into the Rainy Day Fund to bring it to its full targeted level. The Finance Committee recommended that the Council appropriate the \$326,505 that the analysis showed would be required to be deposited to bring the Net Revenue Stabilization Fund to its targeted level.

RECOMMENDATION: Staff recommends the implementation of the Council Finance Committee's recommendation to appropriate \$326,505 of General Fund balance (account 010-0000-253.20-00) for transfer to the Net Revenue Stabilization Fund (account 011-0000-391.19-10) be approved and equal monthly interfund transfers be made.