

CITY OF MCMINNVILLE
AUDIT COMMITTEE MEETING AGENDA

8/26/2020

9:00 a.m.

Zoom Meeting

<https://mcminnvilleoregon.zoom.us/j/99907205564?pwd=VTF1OHlydFZlZDFCRFFrUG9tdWhhZz09>

Meeting ID: 999 0720 5564

Passcode: 843272

1. Consider approval of the Minutes 8/05/2020 Audit Committee Meeting
2. Discussion/Feedback on Proposed Reserve and Fund Policy update
20 mins
3. Components of and Suggestions for Reserve Presentation and Discussion with Council
15 mins
4. Council meeting timing options –should it be council meeting or work session then council meeting to adopt policy?
 - o 9/8 council mtg – staff reports Fri 8/28, packets 9/1
 - o 9/16 work session - staff reports Fri 9/4, packets 9/9
 - o 6/22 council mtg - staff reports Fri 9/11, packets 9/155 mins

Documents and Resources – 8/26/2020 packet

p. 1	A. Draft minutes 8/6/2020
p. 4	B. Updated Fund Balance History
p. 8	C. Draft Reserve and Fund Balance Policy

Documents and Resources – 7/14/2020 packet

p. 1	A. Draft minutes 3/10/2020
p. 6	B. City of McMinnville Reserve Trends (3 pages)
p. 9	C. Moodys Report City of McMinnville 7.18.2019 (5 pages)
p. 14	D. Moodys Local Government Debt Rating Methodology (35 pages)
p. 49	E. GFOA Fund Balance Best Practice (3 pages)
p. 52	F. Governing Magazine Financial Health Policies (1 page)
p. 53	G. Fund Balance and Reserve Policies State of Washington (4 pages)
p. 57	H. McMinnville Fund Balance Policy (4 pages)

ADDITION: PFM’s 7/14/2020 presentation distributed to Audit Committee members

Documents and Resources – 8/5/2020 packet

p. 1	A. Draft minutes 7/14/2020
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**City of McMinnville
City Council Audit Committee
Meeting Minutes**

Date: August 5, 2020, 9:00 a.m.

Audit Committee: Scott Hill, Mayor
Kellie Menke, City Councilor
Absent: Peter Hofstetter, Budget Committee member

Staff: Jeff Towery, City Manager
Jennifer Cuellar-Smith, Finance Director
Ronda Gretzon, Senior Accountant
Dewey Burchell, Accountant II

Handouts: July 14, 2020 Audit Committee Meeting Minutes

Minutes from July 14, 2020 meeting

The minutes from July 14, 2020 were presented for approval. Kellie Motioned to approve the July 14, 2020 minutes; Scott seconded. Motion passed.

Discussion on Reserve as a Component of Financial Health

Jennifer began with an overview of how she would like to see the discussion to move forward, starting with information provided by Duncan Brown at PFM from the prior meeting and ending with the possibility of presenting options to City Council.

Scott indicated that he appreciated the work done by PFM and Duncan's perspective regarding city reserve levels as a whole. He also, commented on the guidance Duncan had presented for the reserve level at the City of McMinnville, a possible bond offering in the near future and indicated he would like to move forward from that point.

Kellie indicated that she that keeping current reserve level from falling any further and growing reserve form that point seemed to be the best direction to take. Scott and Kellie both agreed that tightening belts and moving forward seemed to be the direction they would like to present to the City Council.

The discussion moved to talk about the proposed fire district and what impacts that may have on the City's resources and taxing power in the coming years. Jeff informed the Committee that it was likely the feasibility study on proposed fire district would be seen next week sometime. Jeff indicated that he did not feel the City would have room to issue an operating levy if the proposed fire district was to move forward. He continued that there would be a lack of taxation wiggle room if an additional levy was taken out for the fire district as he had most commonly seen happen in similar situations including his experience with Springfield, Oregon.

Jeff mentioned the possibility of issuing franchise fee increases and even adding an additional franchise fee on McMinnville Water and Light. Scott expressed his concern that the City might be a state leader in franchise fee rates and wanted to look at other jurisdictions to ensure the City was not seen as overreaching. Jeff indicated that he was aware of similar jurisdictions with higher franchise fees and was confident that the City would not be a statewide leader in rates, but that gathering data to present to the City Council if they were considering raising rates or adding additional franchise fees would be a part of

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the process. He expressed his desire for the City Council to make informed and transparent decisions whenever rate increases or additions were involved.

Scott mentioned that the Committee better at understanding full operating costs and what total cost recovery looks like was very important to him. Scott, Kellie, and Jeff discussed all City departments and how close they were to understanding what percentage of total costs were being recovered at this time. The discussion included the rate studies that had been done recently and how helpful those had been to gather this kind of data. Jeff specifically mentioned study that was done in the Parks and Recreation Department and also mentioned that the feasibility study for the proposed fire district had given them a good understanding about Fire Departments costs as well.

Kellie shifted the discussion to the operating financial plan. Jeff mentioned ordinance that was passed in the health care field and how that had been presented to voters as money grab by the City. Jeff suggested that they could continue to take a look at other similar options while being more careful of how those options were presented to the voters.

Jennifer indicated that the Committee should take core services and cost related to those into consideration. She further indicated that the Committee should try and decided on how they were planning on bring these findings and options to the City Council. Jeff commented that the consulting information on the Fire District should be straight forward when finalized and available and give the Committee a good starting point to move forward from.

Jennifer prompted committee to move discussion back to the City's reserve level and future plan. The Committee talked about what percentage level would be reasonable to target and what the City Council might be comfortable with. Kellie suggested budgeting for small incremental increases in future years, indicating that this would make a positive impact on the City's fiscal direction.

The Committee discussed with Jennifer about the achievability of reaching the current 25% target and if the target should be temporarily set lower. The discussion included current and future impacts of pandemic and the uncertainty that surrounded it. Kellie suggested by starting with making a statement stating that the City was striving to achieve "x" and moving forward from there.

The discussion shifted to a timeline for a new reserve level goal. It was agreed that during next year's budget process some of the uncertainty surrounding the current pandemic may have dissipated and that the City Council needed to start discussing the reserve more. Jeff mentioned that he did feel time spent on what reserve should be and what it is was currently present in the City Council, but that not enough time was spent on what drives the reserve and how it is calculated. Jeff said that the City Council's understanding of this would lead to clear policy being made and that will drive fiscal policy for the City. He indicated that it would help if City policy was flexible, yet driven by a stated reserve target rather than an upcoming bond measure or five year plan.

Jennifer commented that in her prior experience budgets were built from a base line with core services and council goals, additions were added by management was added from there. The Committee expressed their concern about the level of work this might entail. Jennifer responded that the level of work would not increase or decrease, it would just different than the current process. She also informed the council that because of how reserve was calculated, it floated with any increase/ decrease in expenses leading to a larger increase in the reserve percentage with any decrease in expenses.

The Committee discussion moved to how transparency was key for citizens, staff and other communities to understand what and why the City was making these reserve and policy changes. They also discussed

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what those changes might look like, how they would come up with different options and how to bring them to Council to make formal changes.

Components of Reserve Presentation and Discussion with Council

Discussion moved to next steps and what the reserve presentation should look like when Jennifer and Jeff bring options to City Council. It was suggested to have a third meeting in September after Jennifer and Jeff had some time to propose options for reserve policy and run those by the Executive team as well. This would also allow Peter to weigh in on the options prior to the formal Reserve Presentation and Discussion with Council.

Next Steps

Jennifer informed the Committee that Moody's annual comment should be available next week and that she would update the Committee on the status of the annual comment at the next meeting. She indicated that if there was anything that could possibly be seen a possible derivative of a formal review and possible change to the City's credit rating she would bring that to the City Council's attention.

Jennifer also informed the Committee that Duncan had reached out to her about tools PFM had available for fiscal policies, transparency and building a reserve. She indicated that she would review costs and options that would be provided and report back to the Committee at their next meeting.

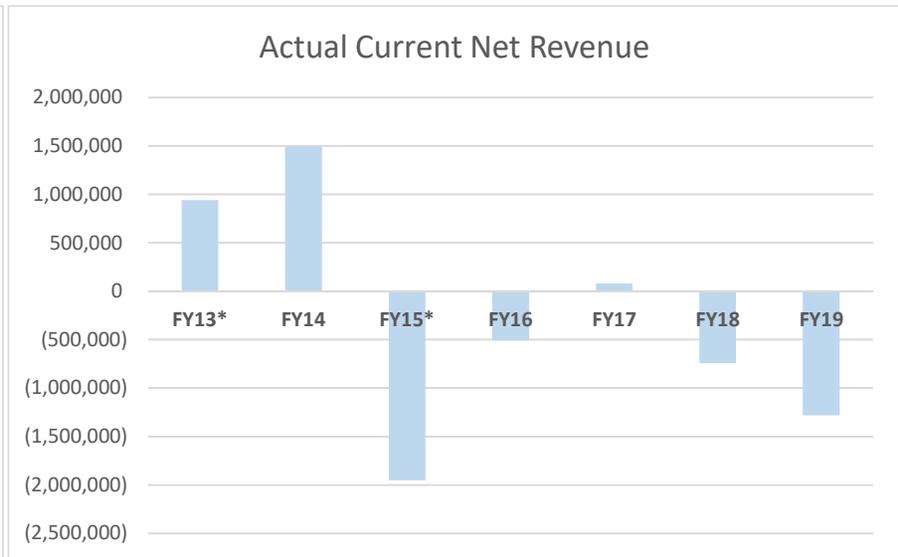
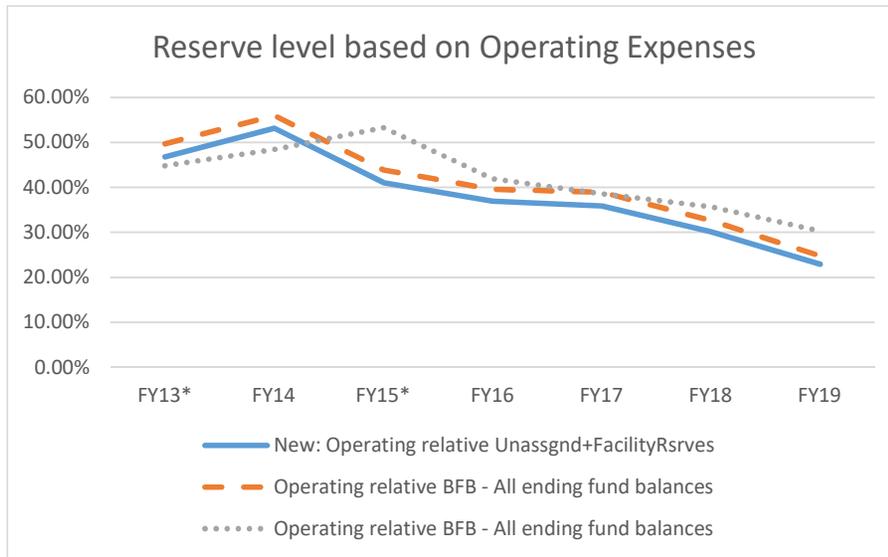
Jennifer also brought to the Committee's attention that the PERS Incentive Fund that the City had applied and been accepted to receive state a state match on had been defunded, pending legislative approval. She mentioned that this could be completely off the table completely moving forward and that they should consider the impacts that may have on their future forecasting as well.

The Committee briefly discussed the possibility of future bond levies. Jennifer mentioned that the 2011 Park Bond was coming off the tax levy at the end of the fiscal year. The Committee discussed the options of replacing this with another bond levy or waiting to see what tax payers may be interested in after the November ballot. The Committee was in agreement that waiting to see what other communities are doing after November would be the best choice for now.

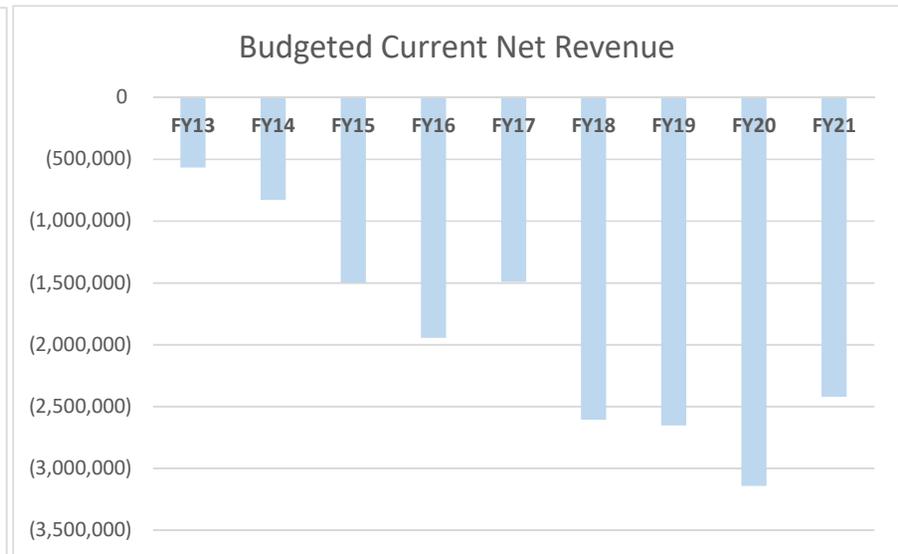
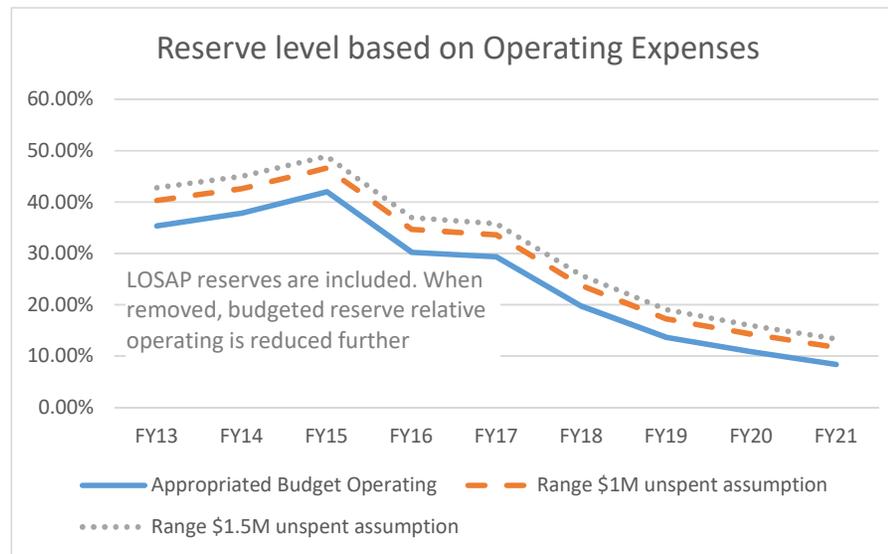
There being no further comments to come before the Committee, the meeting was adjourned at 9:40 AM.

City of McMinnville Reserve Trends

Actuals for Combined General Fund and Ambulance Fund



Appropriated Budget for Combined General Fund and Ambulance Fund



* Fiscal year data is restated as presented in subsequent CAFRs

General Fund Ending Fund Balance - Appropriated Budgets

<u>General Fund + Ambulance</u>		FY13	FY14	FY15	FY16	FY17	FY18	FY19	FY20	FY21
Revenue										
	Beginning Fund Balance	7,696,555	8,696,049	10,615,900	8,638,793	8,332,212	7,518,110	6,641,807	6,375,308	4,938,718
A	Current Revenue	21,580,435	21,961,925	22,807,191	23,293,392	26,508,845	25,737,539	28,804,357	30,931,162	30,809,216
	Total Revenue	29,276,990	30,657,974	33,423,091	31,932,185	34,841,057	33,255,649	35,446,164	37,306,470	35,747,934
Expenditures										
B	Personal Services	15,398,225	16,199,019	16,686,784	17,616,580	18,542,715	19,784,579	21,601,892	23,420,294	23,742,706
C	Materials and Services	4,838,541	4,671,988	5,030,373	4,576,111	4,800,237	5,312,412	5,951,815	6,372,649	6,419,460
	Capital Outlay	262,479	311,168	479,324	429,471	190,044	291,491	679,600	635,606	923,151
	Debt Service	0	0	115,292	115,295	265,420	570,418	675,172	724,321	735,626
	Transfers Out	1,646,958	1,606,926	1,992,748	2,500,136	4,199,811	2,384,334	2,548,523	2,919,282	1,407,621
D	Total Current Expenditures	22,146,203	22,789,101	24,304,521	25,237,593	27,998,227	28,343,234	31,457,002	34,072,152	33,228,564
Appropriated Reserve Categories										
	Contingencies	1,050,000	1,050,000	1,050,000	1,050,000	1,200,000	1,200,000	1,200,000	1,200,000	1,900,000
	LOSAP Ending Fund Balance*	497,311	77,916	481,600	468,204	535,000	463,786	900,000	578,800	508,258
	Facility/Vehicle Reserve	623,230	600,000	0	75,000	112,500	37,500	622,461	0	0
	Unassigned Ending Fund Balance	4,984,110	6,163,323	7,586,970	5,101,388	4,995,330	3,248,629	1,025,296	1,455,518	111,112
E	Total Reserves*	7,154,651	7,891,239	9,118,570	6,694,592	6,842,830	4,949,915	3,747,757	3,234,318	2,519,370
Historical Analysis										
(E/(B+C))	Appropriated Budget Operating	35.35%	37.81%	41.99%	30.17%	29.31%	19.72%	13.60%	10.86%	8.35%
	Range \$1M unspent assumption	40.30%	42.60%	46.59%	34.67%	33.60%	23.71%	17.23%	14.21%	11.67%
	Range \$1.5M unspent assumption	42.77%	45.00%	48.89%	36.92%	35.74%	25.70%	19.05%	15.89%	13.33%
Reserves w/o LOSAP										
	Appropriated Budget Operating	32.90%	37.44%	39.77%	28.06%	27.02%	17.88%	10.34%	8.91%	6.67%
	Range \$1M unspent assumption	37.84%	42.23%	44.37%	32.56%	31.31%	21.86%	13.96%	12.27%	9.98%
	Range \$1.5M unspent assumption	40.31%	44.62%	46.68%	34.82%	33.45%	23.85%	15.78%	13.95%	11.64%
	Current Net Revenue (A - D)	(565,768)	(827,176)	(1,497,330)	(1,944,201)	(1,489,382)	(2,605,695)	(2,652,645)	(3,140,990)	(2,419,348)
	Percent of Expenditures (A/D)	-2.55%	-3.63%	-6.16%	-7.70%	-5.32%	-9.19%	-8.43%	-9.22%	-7.28%

Budget Buffer Analysis - Budgeted and Actual include LOSAP

Combined General Fund + Ambulance

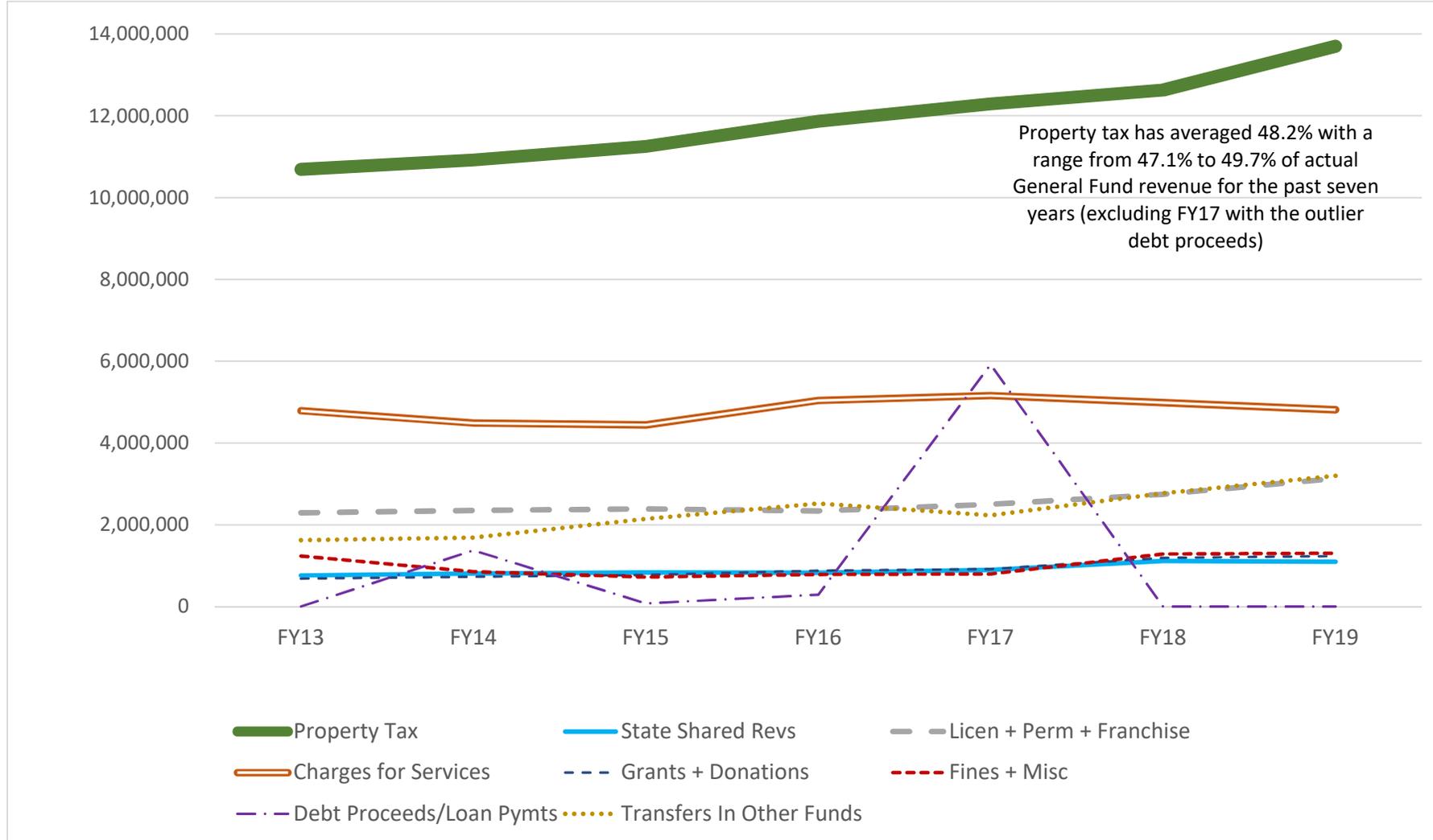
Budgeted Beginning Fund Balance	7,696,555	8,696,049	10,615,900	8,638,793	8,332,212	7,518,110	6,641,807	6,375,308	4,938,718
Actual Beginning Fund Balance	8,649,816	9,589,557	11,081,092	9,130,462	8,620,713	8,700,766	7,959,773	6,503,164	
Gain	953,261	893,508	465,192	491,669	288,501	1,182,656	1,317,966	127,856	

General Fund Ending Fund Balance - NWS Actuals Governmental

General Fund + Ambulance	FY13*	FY14	FY15*	FY16	FY17	FY18	FY19
Revenue							
Beginning Fund Balance	8,649,816	9,589,557	11,081,092	9,130,462	8,620,713	8,700,766	7,959,773
Property Tax	10,687,582	10,918,129	11,253,504	11,861,826	12,291,488	12,625,747	13,699,308
State Shared Revs	760,551	807,752	834,087	825,156	899,238	1,114,681	1,094,262
Licen + Perm + Franchise	2,290,778	2,348,989	2,384,709	2,336,296	2,497,580	2,743,786	3,130,370
Charges for Services	4,785,942	4,488,380	4,440,221	5,039,015	5,157,831	4,985,639	4,813,767
Grants + Donations	682,947	728,312	769,976	877,594	918,330	1,189,845	1,232,843
Fines + Misc	1,235,347	853,310	720,704	780,789	794,869	1,283,473	1,302,707
Debt Proceeds/Loan Pymts	0	1,370,000	78,094	290,195	5,917,267	0	0
Transfers In Other Funds	1,622,623	1,683,535	2,141,334	2,521,175	2,230,776	2,771,457	3,196,686
A Current Revenue	22,065,769	23,198,407	22,622,630	24,532,046	30,707,379	26,714,629	28,469,943
Total Revenue	30,715,584	32,787,964	33,703,722	33,662,508	39,328,092	35,415,395	36,429,716
Expenditures							
B Personal Services	14,999,322	15,492,712	16,594,935	17,629,739	17,956,945	19,542,022	20,645,021
C Materials and Services	4,282,520	4,300,430	4,193,891	4,147,864	4,387,730	4,822,826	5,606,821
Capital Outlay	197,224	306,804	1,731,888	504,734	309,235	247,988	439,306
Debt Service	0	0	115,291	115,291	3,617,851	569,776	633,998
Transfers Out	1,646,958	1,606,926	1,937,254	2,644,167	4,355,565	2,273,010	2,426,922
D Total Current Expenditures	21,126,025	21,706,872	24,573,260	25,041,795	30,627,326	27,455,622	29,752,069
Reserve Categories							
Contingencies	0	0	0	0	0	0	0
LOSAP Ending Fund Balance	562,639	557,316	593,735	572,141	673,697	606,790	655,396
Facility/Vehicle Reserve	600,000	1,351,766	94,897	75,000	112,500	0	0
Unassigned Ending Fund Balance	8,426,920	9,172,010	8,441,830	7,973,572	7,914,569	7,352,983	6,022,252
E Total Reserves	9,589,559	11,081,092	9,130,462	8,620,713	8,700,766	7,959,773	6,677,647
Historical Analysis							
Operating relative BFB	44.86%	48.45%	53.30%	41.93%	38.58%	35.71%	30.32%
Operating relative EFB	49.73%	55.98%	43.92%	39.59%	38.94%	32.67%	25.44%
New: Operating relative Unassgnd+FacilityRsrve:	46.82%	53.17%	41.06%	36.96%	35.92%	30.18%	22.94%
Current Net Revenue (A - D)	939,744	1,491,535	(1,950,630)	(509,749)	80,054	(740,993)	(1,282,126)
Percent of Expenditures (A/D)	4.45%	6.87%	-7.94%	-2.04%	0.26%	-2.70%	-4.31%

* Restated values as presented in subsequent CAFRs

City of McMinnville - Revenue Picture



Revenue and Risk:

Charges for services, sales tax and income tax are most volatile revenue sources. The City Gen Fund has an avr of 20% of this type of revenue. Licenses, franchise fees and fines are less elastic - avr 15% of General Fund plus Ambulance - but can also move with business cycles. Most resilient revenue base is property tax, but if you lose big payers, that adds vulnerability. In the case of McMinnville, the top 10 tax payers make up less than 10% of the revenues, indicating a diversified tax base in terms of payers; our exposure is in the tourism sector.

Reserve and Fund Balance Policy

Policy Adoption Date: _____ Last Revision: _____

Principle

Align our fiscal policies and practices to MacTown 2032's strategic priority of *City Government Capacity* to strengthen the City's ability to prioritize and deliver municipal services with discipline and focus.

Purpose

The City of McMinnville desires to establish a Reserve and Fund Balance Policy for all city funds that promotes responsible financial management by adhering to best practices and maintaining adequate levels of fund balance to mitigate current and future risks while assuring the delivery of quality, meaningful services to the community. This policy is intended to make the city more resilient and well positioned to:

- Ensure present and future municipal service levels
- Withstand the next economic downturn or fiscal stress (natural disaster, other emergency, revenue or cash short fall)
- Promote equitable and stable rate, charge and fee structures
- Protect the City's creditworthiness and bond rating
- Provide flexibility to respond to unanticipated opportunities
- Consider long-term financial planning needs, including retirement system rate increases

Scope

This policy outlines reserve and fund balance targets for all City funds. It recognizes the unique needs and characteristics of each fund and includes summary information by fund type along with information regarding each individual fund.

The policy does not address the reserve and fund balance targets for the related financial entity of McMinnville Water and Light as it is managed by a separate governing body.

Policy Guidance

The Government Finance Officers Association (GFOA), founded over 100 years ago, is the premier organization providing guidance and best practices in various areas of public finance to municipal governments. Its published Best Practices are approved by the GFOA executive board and identify policies and procedures that contribute to improved government management.

The GFOA's Fund Balance Guidelines for the General Fund recommends that jurisdictions:

- Maintain a minimum of two months of regular general fund operating revenues or general fund operating expenses
- Take into consideration the government's own unique circumstances and risk exposures
- Evaluate commitments and assignments and focus on unassigned fund balance rather than unrestricted fund balance

- Define use and replenishment of fund balance

The Governmental Accounting Standards Board (GASB) is the source of Generally Accepted Accounting Principles (GAAP) used by state and local governments in the US. The GASB issues pronouncements designed to provide tax payers, legislators, municipal bond analysts and others useful information for decision-making. GASB’s major guidance related to fund balance is found in Statement No. 54, which defines five classifications of fund balance, summarized in the table below:

**Governmental Accounting Standards Board
Statement No. 54 Fund Balance Classifications**

		Classification	Definition	Degree of Spendability
Restricted Fund Balance	{	Nonspendable	Resources that are not in a spendable form (inventories, prepaid items, or items required to be maintained intact).	Nonspendable
		Restricted	Resources constrained to specific purposes by external providers (creditors, grantors, contributors, and other levels of government) through laws and regulations.	
Unrestricted Fund Balance	{	Committed	Resources constrained by limitations the City imposes upon itself at its highest level of decision-making authority (City Council); limitations remain binding unless removed in the same manner.	
		Assigned	Resources a government intends to use for a specific purpose; intent can be expressed by the governing body or by an official or body to which the governing body delegates authority.	
		Unassigned	Resources available for any purpose; these resources are reported only in the General Fund.	Spendable

This policy focuses on the unrestricted fund balance categories as the City has direct control over these balances.

Policy

Fund Balance is defined as the difference between assets and liabilities in a governmental fund (General Fund, Special Revenue Funds, Debts Service Funds, and Capital Project Funds). Working capital is defined as the difference between current assets and current liabilities for non-governmental funds (Proprietary Funds that include Enterprise Funds and Internal Service Funds).

This policy formally adopts the GASB 54 hierarchy of fund balance classifications that the City has been utilizing, as required, in its annual financial statements.

General Fund

The General Fund has an unassigned fund balance target of two months operating expense. In the budget, this amount is calculated as 2/12ths of general fund categories (1) personnel and (2) materials and services annual budgets. The reserve will be held in the general fund’s contingency and unassigned ending fund balance categories.

The City of McMinnville seeks to fund this unassigned fund balance target over the next three to five years (in or prior to the FY2025-26 budget cycle).

In any year that the unassigned fund balance target is not met, the circumstances and financial implications of the target shortfall will be discussed and approved by Council during the annual budget process. Once the City is back over the targeted fund balance levels, any subsequent budget year that projects going under the general fund's unassigned reserve balance standard must include a plan for rebuilding the reserve within one to three years of use.

The General Fund's assigned fund balance for the volunteer firefighter's Length of Service Award Program will no longer be included in the city's ending fund balance analysis which includes all unrestricted fund balance categories as the benchmark in the budget document.

Additional discrete committed or assigned fund balance categories may be added to the city's financial planning model to set aside excess reserves or one time funds for special initiatives such as creation of a capital replacement fund, rainy day fund, retirement rate stabilization fund, etc. New fund balance categories will be calculated according to the methodology defined when established; presented in budget section(s) that discuss fund balance purpose, levels and trends; and programmed for expenditure in the manner defined at the reserve fund's inception.

Special Revenue Funds – no reserve requirement

A handful of City Funds are grants based, exist to provide transparency on particular revenue streams that are fully expended over a given time period, or manage debt obligations. In these cases, reserves are not appropriate to expect or budget.

- 05 Special Assessment Fund
- 07 Transient Lodging Tax Fund
- 10 Telecommunication Fund
- 15 Emergency Communication Fund – MORE RESEARCH

Special Revenue Funds – two month operating reserve requirement

Some special revenue funds are on-going concerns with staffing and other monthly and seasonal operations costs. In these cases, the standard to target a two months operating cost reserve held in contingency and unassigned ending fund balance budget categories makes sense.

- 20 Street Fund
- 70 Building Fund

Special Revenue Funds – variable reserve requirement

Other special revenue funds base reserve requirements on the functional and capital planning needs associated with its activities. Frequently these funds will have restricted funding sources that are associated with particular projects or activities. These funds may have a variable committed or assigned reserve level that is optimal for its circumstances over time so a specific reserve target cannot realistically be set by policy.

The City's debt service fund includes bonded debt that is funded with property tax but has debt service payments scheduled prior to the annual property tax cycle. These reserve commitments will vary according to the various payment schedules associated with the debt obligations.

These funds will calculate and discuss reserve needs as a part of the annual budget process. Reserve levels will be approved by the Council in its annual budget appropriation.

- 25 Airport Maintenance Fund
- 45 Transportation Fund
- 50 Park Development Fund
- 60 Debt Service

Enterprise Fund

Wastewater Services' operating fund is designed to manage the on-going utility operation and, as such, includes staffing and materials and services costs. Its working capital needs will mirror the general fund's fund balance target of a two month minimum operating expense level to set aside in contingency and unappropriated ending fund balance categories each year. Its integrated Wastewater Capital Fund has strategically built up funds to address capital replacement needs and large capital infrastructure investments planned to keep the district

- 74 Wastewater Services Fund
- 77 Wastewater Capital Fund

Internal Service Funds

The two internal service funds have characteristics that make a prudent working capital level for these two funds significantly distinct from each other.

- 80 Information Services Fund
- 85 Insurance Services Fund

The Information Services fund does have staffing and operating costs but in its case maintaining a two month operating reserve is not in the interest of the City because it would unnecessarily inflate the cost of services delivered to all the departments in the organization. Internal service funds such as this one seek to roughly offset annual costs with annual departmental contributions and maintain an inflation-based annual cost increment so that the cost levels are stable and predictable across the city. To this end, the Information Services fund will incorporate a reserve target to include capital investments and funds for extraordinary retirement costs and begin to fund this reserve in the next five years (in or prior to the FY2025-26 budget cycle).

Insurance Services reserves should be tied to our workers comp experience rate and combined deductible and out of pocket cost trends for the general liability cost. **MORE RESEARCH to assess best metrics and whether we're below or above those targets.**

For both internal service funds, distributions back to the departments that fund their operations may be made in the event either holds cash in excess of reserve needs. These distributions are based on proportions the departments pay in. Any distribution will be discussed as part of the annual budget process.

Internal Service Fund reserve levels and any annual distributions back will be approved by the Council in the annual budget appropriation.

Policy Review

On occasion, funds are added to the City's financial footprint to meet the needs of new projects, new debt issuances and new services. Specific minimum fund balance targets or reserve requirements may also change with time. The Reserve and Fund Balance policy will be revised periodically to remain current and relevant. An annual review of the status of fund balance levels will be included in annual budget documents. This review may spark proposals from staff or the Budget Committee for the Council to consider changes to the policy as needed.

DRAFT