

RESOLUTION 22-152

AN RESOLUTION TO ESTABLISH A RESERVE FUND POLICY

WHEREAS, The City of Spring Hill and Board of Mayor and Alderman desire to promote the general fiscal health and standing of the City; and,

WHEREAS, The Spring Hill Board of Mayor and Alderman desire to establish a Reserve Fund Policy to guide the formation, growth and distribution of public funds held in reserve.

NOW, THEREFORE BE IT RESOLVED, Spring Hill Reserve Fund Policy shall be as further described in Exhibit A.

Passed and adopted this 18th day of July, 2022.



Jim Hagaman , Mayor

ATTEST:



April Goad, City Recorder

LEGAL FORM APPROVED:



Patrick Carter, City Attorney

Reserve Fund Policy of the City of Spring Hill

Each year, beginning with the 2023-2024 fiscal year budget the City Administrator shall include within the budget proposal an amount to be allocated towards the reserve fund. The proposed amount shall be equal to or greater than ten percent of the estimated growth in sales tax revenues. The Board of Mayor and Aldermen may increase or decrease this amount through the budget adoption process.

The reserve fund may be used to supplement future sales tax revenue shortfalls. Should the City Administrator identify sales tax revenue actual collections to be less than budgeted, they may recommend to the Board utilization of the reserve fund to offset the difference. The reserve fund should only be used to bring sales tax revenues back to budget numbers and not in excess. The City Administrator and the Board should utilize the reserve fund as a last resort. It is the legislative intent of this policy that reducing expenditures, delaying purchases, seeking alternate revenue sources and any and all other measures should be explored prior to utilizing reserve funds.

Should the reserve fund grow to be in excess of one-half of the anticipated annual sales tax revenues, excess funds may be utilized for one-time capital expenditures at the discretion of the Board during the normal course of budget appropriations.