

**CITY OF GAINESVILLE**  
**GENERAL GOVERNMENT**  
**GENERAL FUND RESERVE POLICY**

**PURPOSE**

This reserve policy is adopted by the Gainesville City Commission to ensure General Government's orderly provision of services to its citizens, availability of adequate working capital, plan for contingencies, and retain the City's good standing with the rating agencies and the credit markets.

**GENERAL FUND UNDESIGNATED, UNRESERVED FUND BALANCE**

For each fiscal year, the uncommitted Fund Balance of the General Fund will be at least 10% percent of the Proposed General Fund Revenue Budget (excluding one-time appropriations from fund balance). This balance is to provide for the following:

- Budget fluctuations
- Unanticipated emergencies (e.g., natural disasters, public safety emergencies, capital emergencies, etc.)
- Any other financial uncertainties

**SPENDING AUTHORITY**

The General Fund uncommitted fund balance will not be used to solve recurring revenue shortfalls.

That portion of the General Fund uncommitted fund balance that exceeds the minimum required level may be appropriated as needed and expended. No amount of the minimum required level of the General Fund uncommitted fund balance may be expended unless it meets the purposes stated above and until appropriated by the City Commission except as provided below for unanticipated emergencies.

In those unanticipated emergency situations which demand immediate government action in the interest of public safety and welfare, the City Manager is authorized by the City Commission to spend up to a maximum of 20% of the minimum required level of General Fund uncommitted fund balance in accordance with procedures provided in the City of Gainesville Purchasing Policies. A financial accounting related to such emergency expenditures will be submitted to the City Commission by the City Manager as expeditiously as possible after the end of the emergency.

**RENEWAL/REPLACEMENT OF EXPENDED RESERVES**

During the budget process, the required level of General Fund uncommitted fund balance shall be calculated by the Budget and Finance Department based on the Proposed General Fund Revenue Budget. The additional amount required each year shall be included as a line item appropriation in the General Fund Uses Budget.

Upon completion of the audited financial statements, the Finance Director will review the final year-end results. If the General Fund uncommitted fund balance falls below the required minimum level, the shortfall, if less than five percent, will be budgeted in its entirety in the succeeding budget year.

In the case of an event that creates a differential between the required General Fund uncommitted fund balance amount and current available funds of equal to, or more than five percent, a funding plan will be developed to meet the requirements of the General Fund Reserve Policy within three years of the event.

It is the policy of City of Gainesville that any excess General Fund uncommitted fund balance remaining after meeting financial reserve requirements may be appropriated to finance any one-time expenses, as determined by the City Commission.

#### **FORMAL REVIEW**

At least every five years, a review of this reserve policy will be completed by the City Manager or designee, and recommendations for changes, if appropriate, will be submitted to the City Commission.

#### **THIS POLICY TO CONTROL**

This policy supersedes and replaces all previous General Fund reserve policies for General Government, which are hereby rescinded.