

CITY OF MARGATE, FLORIDA

RESOLUTION NO. 15-096

A RESOLUTION OF THE CITY COMMISSION OF THE CITY OF MARGATE, FLORIDA, ADOPTING A FUND BALANCE POLICY AND ESTABLISHING COMMITTED REVENUE SOURCES WITH INTERNALLY SELF-IMPOSED LIMITATIONS PURSUANT TO GOVERNMENTAL ACCOUNTING STANDARDS BOARD (GASB) STATEMENT NO. 54; PROVIDING FOR AN EFFECTIVE DATE.

Whereas, the Governmental Accounting Standards Board (GASB) has issued Statement No. 54 establishing a hierarchy clarifying the constraints that govern how a government entity can use amounts reported as fund balance; and

Whereas, it is necessary to set forth the Fund Balance Policy and establish committed revenue sources with internally self-imposed limitations on use as determined by resolution of the City Commission and that can only be removed or changed by subsequent resolution; and

Whereas, the City Commission is the highest level of decision-making authority, and has the authority to commit, assign, or evaluate existing fund balance classifications and identify the intended uses of committed or assigned funds; and

Whereas, the committed fund balance classification reflects amounts subject to internal constraints self-imposed by the City Commission; and

Whereas, once the committed fund balance constraints are imposed, it requires the constraint to be removed by the City Commission by resolution prior to redirecting the funds for other purposes; and

NOW, THEREFORE, BE IT RESOLVED BY THE CITY COMMISSION OF THE CITY OF MARGATE, FLORIDA AS FOLLOWS:

Section 1: That the foregoing "WHEREAS" clauses are ratified and confirmed as being true and correct and are made a specific part of this Resolution.

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Section 2: That the City Commission of the City of Margate hereby adopts the following fund balance policy:

Fund balance measures the net financial resources available to finance expenditures of future periods. The various components of fund balance include monies that are:

1. Nonspendable - amounts that are not in spendable form or legally/contractually required to be maintained intact, such as inventory,
2. Restricted - amounts that can be spent only for specific purposes stipulated by externally enforceable limitations on use by outside parties, such as creditors or legislation, or imposed by law through constitutional provisions or enabling legislation,
3. Committed - amounts that can be used only for a specific purpose determined by a formal action (ordinance/resolution/majority vote) of the City Commission,
4. Assigned - amounts established by the management of the City that are intended to be used for specific purposes that are neither restricted nor committed, and
5. Unassigned - amounts which are the residual classification for the General Fund and includes all amounts not contained in the other classifications.

The City Commission delegates authority to the City Manager to assign fund balances as appropriate. - See #4 above.

Where expenditures are to be made for a purpose for which amounts are available in multiple fund balance classifications, the order in which resources will be expended is as follows: restricted fund balance, committed fund balance, assigned fund balance, and lastly unassigned fund balance.

The City Commission will commit \$1,060,302.39 of fund balance from the General Fund for Citizen Project Initiatives for the year ending September 30, 2015 which will remain committed until all these monies have been spent. These monies resulted from the Resource Recovery Board litigation and are permitted to be used

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for any lawful government purpose. The City Commission will discuss intended or desired projects at a City Commission meeting. The City Commission must approve by a motion and majority vote any Citizen Project Initiatives to be funded under this commitment. Any remaining funds of the \$1,060,302.39 not spent in the subsequent fiscal year will remain committed in the General Fund at year-end.

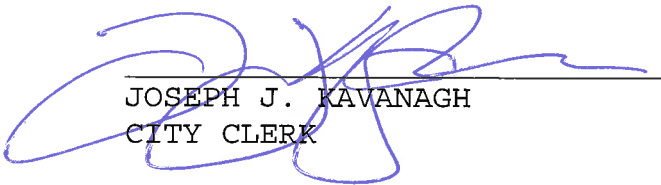
The use (appropriation) of committed funds will be considered in conjunction with the annual budget adoption process or by budget amendment approved by the City Commission during the fiscal year. All projects will comply with the City's purchasing policies and procedures which would include City Commission approval of certain contracts. The above procedures may be reviewed and adjusted as needed based on the approved projects.

In accordance with the provisions of GASB 54 the City Commission hereby commits that the Citizen Project Initiatives monies, as indicated by the Committed Fund classification, cannot be used for any purpose other than the directed above, unless the City Commission adopts another resolution to remove or change the constraint.

Section 3: That this Resolution shall become effective immediately upon its passage.

PASSED, ADOPTED AND APPROVED THIS 16TH day of SEPTEMBER, 2015.

ATTEST:



JOSEPH J. KAVANAGH
CITY CLERK



MAYOR JOANNE SIMONE

RECORD OF VOTE

Peerman	<u>Absent</u>
Talerico	<u>Yes</u>
Bryan	<u>Yes</u>
Ruzzano	<u>Yes</u>
Simone	<u>Yes</u>