

RESOLUTION NO. 18-93

A RESOLUTION OF THE CITY COUNCIL OF THE
CITY OF MESQUITE, TEXAS, ADOPTING A
GENERAL FUND BALANCE POLICY; AND
DECLARING AN EFFECTIVE DATE THEREOF.

WHEREAS, the City Council recognizes that an adequate general fund balance/reserve is essential to good fiscal management; and

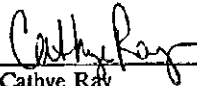
WHEREAS, the City Council realizes the need to adopt a General Fund Balance Policy for the City of Mesquite;

NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF MESQUITE, TEXAS:

SECTION 1. That the General Fund Balance Policy, attached hereto as Exhibit "A", is hereby adopted as the official General Fund Balance Policy of the City of Mesquite.

SECTION 2. That this resolution and the aforementioned General Fund Balance Policy shall take effect immediately from and after its passage as the law in such cases provides.


DULY RESOLVED by the City Council of the City of Mesquite, Texas, on the 20th day of September, 1993.




Cathye Ray
Mayor

ATTEST:

APPROVED:



Lynn Prugel
City Secretary



B.J. Smith
City Attorney

11
00110

CITY OF MESQUITE

Exhibit A

General Fund Balance Policy Statement

This policy is designed to formalize a procedure that will provide adequate financial reserves for unforeseen emergencies. It is also intended to demonstrate to rating agencies and investors in the City's bonded debt that the City is committed to sound financial management practices.

1. The 1993-94 General Fund Operating Budget shall provide a General Fund Balance of 8 percent.
2. For each subsequent year, the General Fund Operating Budget shall provide an addition to General Fund Balance of 1 and 1/2 cents of ad valorem tax revenue.
3. In addition, for each subsequent year an annual interest allocation shall be made to the General Fund Balance. The amount of allocation shall be equal to the actual balance in the account at the end of the previous fiscal year times the average annual interest rate of the City's investment portfolio.
4. When the amount of franchise fee recorded as deferred revenue is received from Southwestern Bell Telephone Company that amount shall be transferred to General Fund Balance.
5. Once the General Fund Balance has reached 15 percent of general fund expenditures, the balance will be maintained at that level.
6. If for any reason, the General Fund Balance should be reduced below the 15 percent level, the same procedure will be followed to restore the balance to that level.