

Resolution 4/21/20A(2020)
Amend Resolution 11/18/13A(2013) Fund Balance Spend-Down Policy

To
Adopt a General Fund Balance Financial Policy/Procedure

WHEREAS, Wis. Stats. 65.90 allows the Town to develop, accept and preserve the Town financial management process;

NOW, THEREFORE, BE IT RESOLVED, the Town Board accept the attached "General Fund Balance" Financial Policy/Procedure as printed.

WHEREAS, the Town of Farmington approves this resolution of establishing a General Fund Balance policy/procedure. This resolution can be re-visited and modified as referenced to #7 on attachment.

Adopted: April 21, 2020

Approved by a vote of 3 yes 0 no



Chair

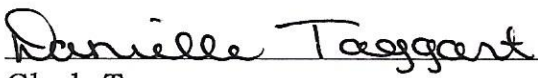


Supervisor I



Supervisor II

ATTEST:



Clerk-Treasurer

TOWN OF FARMINGTON
FINANCIAL POLICY/PROCEDURE

SUBJECT: GENERAL FUND BALANCE

General: The objectives of this policy are to preserve the credit worthiness of the Town for borrowing monies at favorable interest rates; provide working capital for the Town to meet cash flow needs during the year and a comfortable margin of safety to address emergencies and unexpected declines in revenue; and stabilize fluctuations from year to year in property taxes paid by the Town's taxpayers.

Procedures: In order to achieve the objectives of this policy, the following guidelines shall be adhered to by the Town Board:

1. An unassigned general fund balance shall be maintained as of December 31 of each year equal to a minimum of two months of the ensuing year's budgeted general fund expenditures, with a targeted maximum of four months of the ensuing year's budgeted expenditures.
2. The Town will maintain appropriate commitments or assignments of general fund balance for specified purposes, including but not limited to contingencies, compensated absences, or similar items. Commitments and/or assignments of general fund balance shall be made pursuant to appropriate legislation (ordinance or resolution) adopted by the Town Board.
3. As part of the annual budget process, the Clerk/Treasurer will estimate the surplus or deficit for the current year and prepare a projection of the year-end unassigned general fund balance. Such projection will include an analysis of trends in fund balance levels on an historical and future projection basis. Any anticipated balance in excess of the minimum unassigned general fund balance may be budgeted to reduce the ensuing year's property tax levy.
4. Funds in excess of the upper range of the unassigned fund balance target may be considered to supplement "pay as you go" capital outlay expenditures (including reduction of anticipated debt issues) or to prepay existing debt via cash defeasance as allowable. Unassigned fund balance shall not be used to support recurring operating expenditures.
5. Withdrawal of any amount of unassigned general fund balance in excess of the targeted minimum of the amount budgeted under (3) above, for the sole purpose of reducing the ensuing year's property tax levy, may be made only upon a 2/3 majority vote of the Town Board.

6. The Town Board, by a two-thirds vote, can declare a fiscal emergency and withdraw any amount of general fund balances for purposes of addressing the fiscal emergency. Any such action must also provide for necessary appropriations to restore the unassigned general fund balance to the minimum balance within a three-year period.
7. This policy will be reviewed by the Town Board every three years following adoption or sooner at the direction of the Town Board.

fund balance policy
Developed and adopted: 3/2020

RESOLUTION NO. 11/18/13-A (2013)
TOWN OF FARMINGTON, WAUPACA COUNTY, WISCONSIN

A resolution adopting a "Fund Balance Spend-Down Policy" regarding the order in which fund balance will be utilized, adopted by a two-thirds majority vote of the entire membership of the town board.

BE IT RESOLVED by the **TOWN BOARD** of the Town of Farmington as follows:

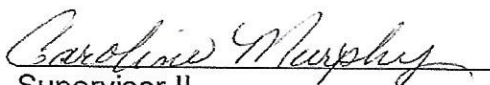
That committed funds would be spent first, followed by assigned funds, and then unassigned funds. Restricted funds would be spent last.

ADOPTED November 18, 2013

APPROVED November 18, 2013


Chairperson


Supervisor I


Supervisor II


Attest - Town Clerk-Treasurer