

STATE OF WISCONSIN MILWAUKEE COUNTY VILLAGE OF RIVER HILLS

RESOLUTION NO. 2021 – 02

RESOLUTION TO AMEND FUND BALANCE POLICY

WHEREAS, the Village of River Hills, Milwaukee County, State of Wisconsin (Village) desires to implement the Governmental Accounting Standards Board (GASB) Statement No. 54, *Fund Balance Reporting and Governmental Fund Balance Definitions* and adopted a Fund Balance Policy on June 20, 2016; and

WHEREAS, the Village of River Hills, Milwaukee County, State of Wisconsin (Village) has proposed to amend the existing Fund Balance Policy.

NOW, THEREFORE, BE IT RESOLVED by the Village Board of the Village of River Hills, Milwaukee County, State of Wisconsin that:

FUND BALANCE POLICY
(Adopted July 20, 2016, Amended 2021)

The objectives of this policy are to provide working capital for the Village to meet cash flow needs during the year (while avoiding the need to cash flow borrow) and preserve the credit worthiness of the Village for borrowing monies at favorable interest rates.

Section 1. Commitment of Fund Balance.

The Village shall commit the entire fund balance in the Police Department Capital Projects Fund to the purpose of Police Department Capital projects. All revenues received into the Police Department Capital Projects Fund that are not restricted by an outside source shall be committed for the purpose of Police Department Capital Projects.

The Village shall commit that the capital project funds and capital equipment fund shall maintain reserves sufficient to pay the cost of projects under construction but not yet finished.

The Village shall commit that the Sanitary Sewer Utility total fund balance shall not be less than 25% and not more than 100% of the annual billings of the Sanitary Sewer Utility fund.

Section 2. Procedure.

Funds to be committed shall be indicated through the adoption of a resolution, passed by a majority of the Village Board, and authorizes the Village Manager to assign funds for specific purposes.

When multiple categories of funds are available for a particular purpose, the funds shall be spent in the following order, restricted, committed, assigned then unassigned.

As part of the annual budget process, the Village Manager/Clerk/Treasurer, or Financial Advisor will estimate the surplus or deficit for the current year and prepare a projection of the yearend fund balance. Such projection will include an analysis of trends in fund balance levels on an historical and future projection basis.

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Withdrawal of any amount of the fund balance in excess of the targeted maximum of the amount budgeted, 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 Village Board.

The Village 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 general fund balance to the minimum balance within a three-year period.

Section 3. Balance Requirements.

The Village shall seek to maintain its unassigned general fund balance is equal to a minimum of 15% of the next year's budgeted general fund revenues; with a 25% targeted maximum.

The purpose of this unassigned fund balance is to provide adequate cash flow throughout the year and to allow the Village the means to respond to unanticipated emergencies, contingencies, and opportunities that may not have been anticipated at the time of budget preparation.

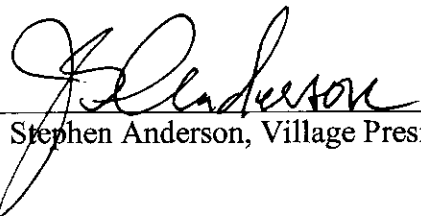
Use of the fund balance below the minimum balance required by this policy shall require the approval of the Village Board. While the Village encourages each fund to meet the 15% minimum balance, the General Fund is the only fund that has the requirement.

This policy will be reviewed by the Village Board every three years following adoption or sooner at their discretion.

Section 4. Effective Date. This Resolution shall be effective upon its adoption and approval.

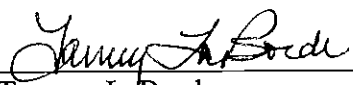
PASSED AND ADOPTED by the Village Board of the Village of River Hills, Milwaukee County, State of Wisconsin on this 10th day of March, 2021.

VILLAGE OF RIVER HILLS



J. Stephen Anderson, Village President

Countersigned:



Tammy LaBorde
Village Manager/Clerk/Treasurer