

INTRODUCED BY Councilmember Luke
 FIRST READING September 4, 2024
 SECOND READING September 19, 2024

AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF BRIDGETON, MISSOURI, ESTABLISHING A GENERAL FUND UNRESERVED MINIMUM BALANCE POLICY OF NOT LESS THAN 35% OF THE CITY OF BRIDETON’S ANNUAL GENERAL FUND OPERATING EXPENDITURES.

BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF BRIDGETON, MISSOURI, AS FOLLOWS:

WHEREAS, the City of Bridgeton recognizes the importance of maintaining an adequate general fund balance to provide financial stability and ensure the ability to respond to unforeseen circumstances, emergencies, or opportunities; and

WHEREAS, an adequate general fund unreserved balance is essential for maintaining the fiscal health of the City and supporting the City's ability to provide consistent services to its residents; and

WHEREAS, the Government Finance Officers Association (GFOA) recommends that municipalities maintain an unreserved general fund balance of at least two months of regular general fund operating revenues or expenditures, which typically equates to approximately 16-20%; and

WHEREAS, the City Council of the City of Bridgeton finds it prudent to establish a general fund unreserved balance policy that exceeds the minimum recommendation of the GFOA to further safeguard the City's financial health and stability.

NOW, THEREFORE, BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF BRIDGETON, as follows:

Section 1. Purpose

The purpose of this ordinance is to establish a policy for maintaining a general fund unreserved balance of not less than 35% of the City's annual general fund operating expenditures. This policy aims to ensure that the City has sufficient financial resources to manage risks, address emergencies, and maintain consistent service levels.

Section 2. General Fund Unreserved Balance Policy

(a) Target Balance: The City shall maintain a general fund unreserved balance equal to at least 35% of the total budgeted general fund operating expenditures for each fiscal year.

(b) Annual Review and Adjustment: The City Administrator and Finance Officer shall review the unreserved general fund balance annually during the budget preparation process. If the balance falls below the target of 35%, the City Administrator shall include in the proposed budget a plan to restore the balance to the target level within a reasonable timeframe, not to exceed three fiscal years.

(c) Use of Funds: The unreserved general fund balance may be used for the following purposes:

- To address unforeseen emergencies or disasters that require immediate financial response.
- To fund one-time, non-recurring expenditures that will not result in ongoing costs to the City.
- Any other purpose as deemed appropriate by the City Council, provided that such use does not reduce the balance below 35% without an approved plan for replenishment.

(d) Notwithstanding the establishment of the foregoing policy, no contract or agreement entered by the City or expenditure made or incurred by the City shall be rendered invalid, illegal, or unenforceable by virtue of such agreement or expenditure causing the fund balance to fall below the 35% target or otherwise violate such policy.

Section 3. Effective Date

This ordinance shall be in full force from and after its passage by the City Council.


PASSED THIS 19th DAY OF SEPTEMBER, 2024

APPROVED THIS 19th DAY OF SEPTEMBER, 2024



Randal B. Hein, Mayor

ATTEST:



Karen E. Robinson, MRCC-S/CMC
City Clerk