

Cash Reserves

Governments hold cash in reserve for a variety of reasons. Often money is set aside to prepare for emergencies, such as natural disasters or unrealized revenues. Reserves may also be accumulated to fund specific projects or to position the City to take advantage of matching grants or land purchase opportunities.

General Fund

From 2001 to 2007 the city's General Fund Reserves were drawn down for a variety of reasons and reached a dangerously low level of 4% of recurring expenditures at the end of 2007. At that time, the city established a goal to rebuild unreserved fund balance to equal 30% of recurring General Fund expenditures over the next several years. Through disciplined fiscal prudence of the City Commission and management, the city has rebuilt its reserves percentage and reached the 30% goal in FY 20. The pandemic crisis and shutdown which put the United States into recession, has now added some uncertainty to where year-end revenues might end up. Originally expected to be about \$17.7 million or over 30%, the graph below shows a scenario where contingency balances are needed to cover lost revenues. Despite this, unencumbered balances should still be close to the target goal at 29%. As the budget for FY 21 only allocates the \$350k for the commuter rail carve-out, the graph below will show some improvement bringing reserves to just over \$17 million by the end of the fiscal year.

Unassigned General Fund Balance as a Percentage of Budgeted Expenditures

