RESOLUTION NO. 2017-05R
A RESOLUTION OF IVINS CITY, UTAH, ESTABLISHING ACCUMULATED FUND BALANCE POLICY & A FUND FOR FUTURE ART PROJECTS

WHEREAS, Section 10-6-116 of the Utah Code allows a city to accumulate a fund balance in the city general fund up to a maximum of 25%, but in no event less than 5%, of the city general fund for the current fiscal period for use in emergency situations or financial downturns to provide for the health, safety and welfare of Ivins' citizens ("statutory priorities"); and

WHEREAS, at present Ivins City has accumulated a fund balance of approximately 20.7% of the city's general fund for the current fiscal period; and

WHEREAS, the Ivins City Council has determined that it would be financially prudent to continue accumulating a fund balance up to the allowed maximum of 25%; and

WHEREAS, the City Council has also determined that it would be helpful to accumulate funds in an account for future art projects in the city rather than having to pay the entire costs of such projects at the time they are purchased/acquired; and

WHEREAS, the City Council has determined that it would be appropriate to establish a formula whereby a portion of any surplus general funds could be saved in such an account for art projects with the balance thereof to continue to be accumulated in the city's fund balance until it reaches the maximum of 25%; and

WHEREAS, in light of the City Council's goal to continue accumulating a fund balance up to the allowed maximum of 25%, and so as to prevent the city from ever slipping backward in its accumulated fund balance, the City Council has determined that it would be financially prudent to establish a floor for the fund balance and to have the floor increase periodically as the fund balance increases closer to the maximum allowed amount; and

WHEREAS, the City Council recognizes its statutory mandate to provide for the health, safety and welfare of its residents and so it may utilize funds in the art project account for such purposes in the event the City Council deems that to be necessary;

NOW THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF IVINS CITY, STATE OF UTAH, AS FOLLOWS:

1. It shall be the financial policy of Ivins City to continue accumulating a fund balance in the city general fund up to the allowed maximum of 25% of the city general fund for the current fiscal period.

2. In an effort to put funds away into an account to pay for future art projects in the city, beginning in the upcoming fiscal year (FYE 2018) 20% of any annual budget surplus in the general fund shall be deposited into an account for future art projects, up to an account maximum of $250,000.00 and provided the accumulated fund balance in the city general fund in any given year is above the floor set forth below.

3. With a current accumulated fund balance of approximately 20.7% and the expectation that it will reach or exceed 21% by the end of the current fiscal year (FYE 2017), the beginning floor shall be set at

21% and that floor shall increase periodically as the accumulated fund balance increases closer to the allowed maximum as follows:

a. Floor becomes 22% when the accumulated fund balance reaches at least 22.5%;
b. Floor becomes 23% when the accumulated fund balance reaches at least 23.5%; and
c. Floor becomes 24% when the accumulated fund balance reaches at least 24.5%.

4. When the accumulated fund balance reaches the maximum allowed amount, then any surplus funds from the general fund beyond that point, after allocating 20% to the art projects fund, shall be allocated to the capital projects fund.

5. In the event the City Council ever deems it necessary to use funds held in the art projects account to provide for the health, safety and welfare of its citizens, then such funds shall be made available to provide for those statutory priorities.

Severability. If any section, clause, or portion of this resolution is declared invalid by a court of competent jurisdiction, the remainder shall not be affected thereby and shall remain in full force and effect.

Effective Date: This Resolution shall become effective immediately upon adoption by the City Council.

PASSED AND ADOPTED BY THE IVINS CITY COUNCIL, STATE OF UTAH, ON THIS _____ DAY OF MARCH, 2017 BY THE FOLLOWING VOTE:

	AYE	**NAY**	**ABSTAIN**	**ABSENT**
Dennis Mehr	_____	_____	_____	_____
Cheyne McDonald	_____	_____	_____	_____
Jenny Johnson	_____	_____	_____	_____
Steven Roberts	_____	_____	_____	_____
Ron Densley	_____	_____	_____	_____

_____
Chris Hart, Mayor

ATTEST:

_____
Kari Jimenez
City Recorder