

Village Policy: VB-12

Date Approved: October 1, 2007(Resolution #2007-17)

POLICY TITLE: Fund Balance Reserve Policy for the General Fund

AUTHORIZATION: Village Board Resolution #2007-17

POLICY STATEMENT:

WHEREAS, the Fund Balance Reserve Policy of the General Fund (hereafter referred to as the "Reserve Policy") has not been reviewed by the Village Board since the early 1990's and the policy states the Fund Balance should be \$1.2 million, and,

WHEREAS, the Village Board desires to make the Reserve Policy an amount based on a percentage of the previous year's actual expenditures of the General Fund, and

WHEREAS, in Wisconsin, Reserve Policies vary between municipalities but are typically stated between 30% to 50% of the previous year's actual expenditure amount, and

WHEREAS, the Village Board desires to maintain a healthy Fund Balance within the General Fund in order to maintain an excellent bond rating (the current bond rating from Standard & Poor's for the Village's General Obligation Debt is AA),

NOW THEREFORE, BE IT RESOLVED, that the Village Board of the Village of Howard hereby authorizes a **Fund Balance Reserve Policy for the General Fund to be set between 35% - 40% of the previous year's actual expenditure** amount for the General Fund as reported in the audited comprehensive annual financial report.