

**A RESOLUTION ADOPTING A GARAGE FUND BALANCE POLICY**

**WHEREAS**, the City of Rolling Meadows has reviewed the requirements of the Governmental Accounting Standards' Board (GASB) Statement No. 54 governing fund balance; and

**WHEREAS**, the City adopted GASB-54 requirements in previous fund balance policies; and

**WHEREAS**, the City recognizes the need to prepare for unforeseen circumstances, to promote continued delivery of City services, to cover its liability for compensated absences (vacation, sick time, etc.) and to ensure there is adequate cash flow for expenditures (particularly for fuel and tires); and

**NOW, THEREFORE, BE IT RESOLVED**, by the City Council of the City of Rolling Meadows, Illinois, that the following Garage Fund Balance Policy is adopted for the City of Rolling Meadows, subject to future revisions, a copy of which is included in this Resolution.

**City of Rolling Meadows  
Fund Balance for the Garage Fund**

**Purpose**

A fund balance policy for the Garage Fund should strive to maintain adequate reserves in the event of unforeseen circumstances, to promote continued delivery of City services, to cover its liability for compensated absences (vacation, sick time, etc.) and to ensure there is adequate cash flow for expenditures (particularly for fuel and tires).

**Summary of Fund**

The City of Rolling Meadows' Garage Fund accounts for the operation, servicing, and repair of all automotive and other mechanical equipment owned by the City of Rolling Meadows. All expenditures related to vehicle maintenance are charged in this fund including expenditures for fuel and tires.

**1. Amounts Held in Reserve (Unrestricted Fund Balance)**

The City of Rolling Meadows shall strive to hold an amount known as Unrestricted Fund Balance ranging from at least \$1.0 million to \$1.5 million per fiscal year. Fund Balance is expressed as goal ranges to recognize the fact that fund balance levels may fluctuate from year-to-year due to operational fluctuations.

**2. Conditions for Use of Reserves**

The use of reserves shall be limited to anticipated, non-recurring needs, emergency needs or anticipated future obligations or a hedge for circumstances needing attention or life safety issues. Fund balances shall not be used for normal or recurring annual operating expenditures.

The City Manager is authorized to offer recommendations to the City Council for the use of Garage Fund reserves. The City Council will approve the use of Garage Fund reserves.

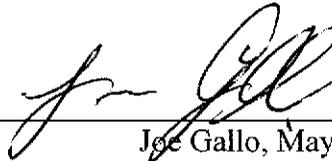
In light of the changing notion of fund balance and accounting rules and to effectively manage this Fund Balance Policy, the City will undertake an annual review and add additional funds over time.

AYES: Vinezeano, Bisesi, D'Astice, Sanoica, Cannon, Budmats, O'Brien

NAYS: 0

ABSENT: 0

Passed and Approved this 17<sup>th</sup> day of December 2019.



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Joe Gallo, Mayor

ATTEST:



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Judith Brose, Deputy City Clerk