

RESOLUTION NO. 27-2023

**A RESOLUTION AUTHORIZING AND IMPLEMENTING THE GENERAL FUND
BALANCE POLICY**

WHEREAS, the Village of Plain City Council desires to form a Policy & Procedure Manual in which the operations of Plain City are defined as it relates to various Village administrative tasks and endeavors; and

WHEREAS, a policy designed to assist the Village administration in determining reasonable balances of the Village of Plain City General Fund is necessary and shall be known as the General Fund Balance Policy; and

WHEREAS, staff recommends that the proposed General Fund Balance Policy, as shown in Exhibit A attached hereto and incorporated herein, be adopted as part of the Policy & Procedure Manual.

NOW THEREFORE BE IT RESOLVED by the Council of the Village of Plain City, Ohio, a majority of the members elected or appointed thereto concurring, as follows:

Section 1. The Village Council hereby approves and authorizes the implementation of the General Fund Balance Policy, as identified in Exhibit A, and attached hereto and incorporated herein.

Section 2. The Village Administrator is hereby authorized and directed to take any required subsequent action, in accordance with the responsibilities and authority set forth in the Charter, for the General Fund Balance Policy.

Section 3. This Resolution shall be effective from and after the earliest period provided by law.

Passed: August 28, 2023.

Attest: *Austin Precourt*
Clerk of Council

Jody Carney
Mayor

First reading: August 14, 2023. Vote: ___ yea ___ nay ___ abstain

Second reading: August 28, 2023. Vote: 5 yea ___ nay ___ abstain

Certificate of Publication

The undersigned, being Clerk of Council of the Village of Plain City, hereby certifies that the foregoing was published by posting for 15 days as required by law and in accordance with Section 4.15 of the Codified Ordinances. The posting was done from August 29, 2023 to September 13, 2023 at the Office of the Clerk of Council located at 800 Village Boulevard; being in the Village of Plain City, Ohio, and the Village of Plain City Website at www.plain-city.com.

Date: August 29, 2023

Austin R. Roney
Clerk of Council



POLICY & PROCEDURE MANUAL

TO: Village of Plain City Employees

FROM: Haley Lupton, Village Administrator

SUBJECT: General Fund Balance, Section 3.1

ADOPTION DATE: August 28, 2023

First revision.

PROPONENT: Office of the Village Administrator

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1. PURPOSE

The purpose of the General Fund Balance Policy ("Policy") is to provide a basis of measurement which can be used to determine the proper levels to be maintained in the General Fund ("Fund") on an annual basis. The goal of this measurement is to identify balances that, based upon historic operating results, current financial needs, and future revenue and expenditure projections, will allow the Village to operate with sufficient liquidity.

This Policy is intended to be used as a tool by management in determining reasonable balances in the General Fund. As such, the Policy may be amended from time to time based on the ongoing financial and operating experiences of the Village, and the ever-changing conditions of the local economy and State funding.

2. DEFINITIONS

- A. **General Fund:** The primary operating financial fund used by the Village of Plain City.
- B. **Liquidity:** Available cash balances to meet current and immediate expenses.

3. RESPONSIBILITY AND AUTHORITY

- A. **Administrator** – It is the responsibility of the Administrator to:
 - (1) Ensure that the General Fund Balance Policy is adhered to and maintains updated information based on standard industry practices.
- B. **Director of Finance** – It is the responsibility of the Director of Finance to:
 - (1) Maintain effective communication with the Administrator on subjects related to this Policy.

4. POLICY

- A. **Fund Balance Purpose**
 - (1) The purpose of a fund balance is to provide adequate liquidity for the purposes of general operations and minor capital improvements.
- B. **Liquidity Level**
 - (1) In determining a proper level of liquidity, management must first determine the level of current need or expenditures and the current level of expected resources or revenues.
 - (2) At a minimum, the Village shall intend to always balance current general fund expenditures to the projected current general fund revenues.
- C. **Balanced Budget**
 - (1) The balanced budget should be an annual financial target unless other non-recurring circumstances require alternative short-term financial actions.

D. General Fund Reserve

- (1) In addition to the provisions in Section C(1), the Village shall maintain at all times, a reserve that is at least sufficient to absorb a one-time hypothetical financial result that would reflect the worst performance of revenues and expenditures during the most recent prior ten-year period as though those performances were to occur simultaneously in the current year.
- (2) If the General Fund balance falls below an amount that would equal the amount necessary to meet the projected worst-case scenario described above, management will assess the conditions believed to create such failure to maintain adequate reserves and determine if any immediate adjustments to the current and future budgets need to be amended in order to maintain a proper level of liquidity.