

Late Backup

#1

2015-2016 PROPOSED BUDGET RESPONSE TO REQUEST FOR INFORMATION

DEPARTMENT: Financial Services

REQUEST NO.: 43

REQUESTED BY: Adler

DATE REQUESTED: 06/2/15

DATE POSTED: 06/3/15

REQUEST: Please provide a detailed calculation of the forecasted Budget Stabilization Reserve Fund for FY16.

RESPONSE: Per the calculation detailed below, staff currently projects the available funding limit from the Budget Stabilization Reserve at \$26,924,940. This limit is the projected requirement to maintain aggregate General Fund reserves at 12% of projected General Fund requirements for FY 2016. Aggregate reserves are defined as the sum of the City's General Fund Emergency Reserve, Contingency Reserve, and Budget Stabilization Reserve (BSR). While the 12% reserve goal is not a formal financial policy it is received very positively by the three rating agencies. The City's adopted financial policy relating to the use of the BSR limits the annual draw down of the reserve to 1/3 of the total amount in the reserve. For FY 2016 the 1/3 limit is projected at \$28,891,885.

	FY16 Forecast
Reserve Amounts:	
Emergency Reserve Fund	\$40,000,000
Contingency Reserve Fund	\$8,667,829
Budget Stabilization Reserve Fund*	\$86,684,324
Total	\$135,352,153
Reserve Policies:	
12% of Requirements	
GF Requirements	\$903,560,106
Percentage	12%
Overall Reserve Requirement	\$108,427,213
Beginning Reserve Level	\$135,352,153
Available for Appropriation	\$26,924,940
1/3 of Budget Stabilization Reserve	\$28,891,885

	FY16 Forecast
Summary:	
Total Estimated Reserve at Year-End (see above)	\$135,352,153
Less: Drawdown to 12% level	\$26,924,940
New Net Reserve	\$108,427,213
<i>*Adjusted to reflect estimate as of March, 2015.</i>	