

STATEMENT OF BUDGET IMPACT
(Policy Number 94-45)
Budgetary Review of Proposed Resolution &
Ordinances with Financial Implication.

Date: August 6, 2019

BIS 19 – 247

FILE: TMP-2019-499

Proposed Legislation:

A RESOLUTION OF THE CITY COMMISSION OF THE CITY OF HOLLYWOOD, FLORIDA, REPEALING RESOLUTION NOS. R-2011-238 AND R-2018-053 REGARDING THE FUND BALANCE POLICY FOR THE CITY OF HOLLYWOOD AND ADOPTING A NEW FUND BALANCE POLICY CONSISTENT WITH GOVERNMENTAL ACCOUNTING STANDARDS BOARD STATEMENT NO. 54, FUND BALANCE REPORTING AND GOVERNMENTAL FUND TYPE DEFINITIONS, AND PROVIDING FOR AN EFFECTIVE DATE.

Statement of Budget Impact:

1. ☐ No Budget Impact associated with this action;
2. ☒ Sufficient budgetary resources identified/available;
3. ☐ Budgetary resources not identified/unavailable;
4. ☐ Potential Revenue is possible with this action;
5. ☒ Will not increase the cost of Housing;
6. ☐ May increase the cost of Housing; (CDAB review required)

Explanation:

This Resolution will adopt a new Fund Balance policy for the City of Hollywood.

The Department of Financial Services recommends to repeal the existing fund balance policy and replace it with a new policy. The new policy accomplishes the following:

- Maintains 17% of general fund reserves, as recommended by Governmental Accounting Standards Board Statement ("GASB") No. 54.
- Removes the City's bond covenant obligation which was satisfied at the end of Fiscal Year 2018.
- Updates the Economic Stabilization Reserve to a dedicated Disaster Reserve which equals 5% of operating expenditures.
- Recommends use of one-time surplus to address critical citywide matters such as OPEB liability and ongoing capital maintenance needs.

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