

RESOLUTION 1919

A RESOLUTION APPROVING AND ESTABLISHING AN EQUIPMENT AND VEHICLE REPLACEMENT RESERVE POLICY FOR CITY DEPARTMENTS.

WHEREAS, during the recent budget process, the City Council expressed interest in creating a process supported by resolution that would create a reserve program; which allows city department to roll over unused budget funds into a vehicle and equipment reserve; and

WHEREAS, the same reserve would and could gain funding support from the General Fund by authorization of the City Council particularly during the budget process; and

WHEREAS, as a requirement to access the equipment and vehicle replacement reserves, city departments will have to maintain a vehicle and equipment replacement schedule that is anticipated to be funded annually or funded as the City Council deems appropriate; and

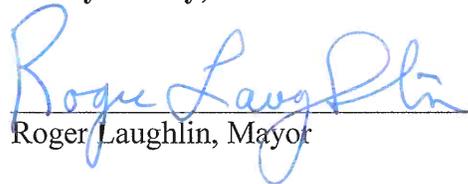
WHEREAS, the equipment and vehicle reserves balances will represent the unexpended resources of roll-over balances and any newly committed general fund amounts approved in the budget process, and departments will also be able to add to these reserve balances with proceeds from surplus equipment and vehicle sales, trade-ins, auction sales, savings from lower than expected replacement purchases; and

WHEREAS, the aforementioned policy incentivizes good financial stewardship of department managers by allowing fund balance contributions (to be approval by the City Administrator) from operational savings not to exceed 1% of their total department annual operational budget with other restrictions delineated in the equipment and vehicle replacement reserve policy.

NOW, THEREFORE, BE IT RESOLVED, by the City Council of the City of West Branch, Iowa, that the aforementioned equipment and vehicle replacement reserve policy are hereby accepted and approved.

* * * *

Passed and approved this 20th day of July, 2020.



Roger Laughlin, Mayor

ATTEST:



Redmond Jones II, City Administrator/Clerk



EQUIPMENT AND VEHICLE RESERVE POLICY

DATE: July 20, 2020

PURPOSE

The equipment and vehicle reserve policy will allow departments' greater latitude in planning and funding equipment and vehicle replacement schedules. These reserves will be funds that can be rolled over from year to year. During each budget cycle, the City Council through the budget process will determine if fund balances in these reserves are adequate to meet the long-term replacement needs of any said department.

ADMINISTRATION

Expenditures of these funds will follow normal planning, budgeting, and purchasing practices. These funds will be used to support the city's mission and goals. The equipment and vehicle reserves balances will represent the unexpended resources of roll-over balances and any newly committed general fund amounts approved in the budget process. Departments will also be able to add to these reserve balances with proceeds from surplus equipment and vehicle sales, trade-ins, auction sales, savings from lower than expected replacement purchases.

In the interest of incentivizing good financial stewardship, department managers will be allowed to request fund balance contributions (to be approval by the City Administrator) for operational savings not to exceed 1% of their total operational budget. For example, a department with a total operational budget of \$500,000 that finds saving within their budget savings, due to innovations, maximizing efficiencies, or other windfalls due to strong management principles; could submit a request for \$5,000 (1% of \$500,000) reserve fund enhancement. This would require consideration and written approval from the City Administrator. Any amount requested, the savings from the innovation, efficiency, or windfall must be greater than the amount requested or granted. This request would only be reviewed and/or granted if appropriated at the closing of the fiscal year.

APPLICABLE EQUIPMENT

Examples of applicable equipment shall include anything that is a long-term asset used in the commencement of an employee's job duties. In general items considered supplies are not applicable equipment. Currently, supplies are those assets used up within a year (more or less), while applicable equipment are long-term assets are used over several years. An example of applicable equipment whereby funds may be set aside in the equipment and vehicle reserve funds; shall include: instructional equipment, computer equipment, communication equipment, motor vehicles, furniture, operation and maintenance equipment.

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