

# City of Bessemer

## Policies

**General Subject:** Finance

**Specific Subject:** Fund Balance

**Policy Number:** F10

**Date adopted:** 10/21/19

**Effective Date:** 10/22/19

**Date Revised:**

To ensure a strong fiscal position for the city that is capable of weathering recessions and major emergencies, the City will work diligently to maintain a two month reserve of general fund expenses in the unrestricted fund. This is approximately a 17% unrestricted fund balance.

If the city doesn't have a 17% unrestricted fund balance, the city council and staff will work to save to this. If confronted by an emergency or a significant downturn in revenues the city council may choose to spend into the unrestricted fund balance to resolve the issue/ issues. This should be a last case scenario. All other options including spending cuts and grants should be considered first. Once the emergency or downturn in revenue is resolved, the city should diligently begin saving once more up to the 17% unrestricted fund balance.