THE FOLLOWING RESOLUTION WAS SPONSORED BY COUNCILMEMBER ZUCKERMAN; MOTIONED FOR ADOPTION BY COUNCILMEMBER LANE; AND SECONDED FOR ADOPTION BY COUNCILMEMBER DISCON.

RESOLUTION NO. 26-25

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF MANDEVILLE ESTABLISHING A GENERAL FUND BALANCE POLICY FOR FISCAL YEAR 2026-2027 INCLUDING SETTING A TARGET GENERAL FUND BALANCE RANGE; AND PROVIDING FOR RELATED MATTERS.

WHEREAS, maintaining a prudent level of fund balance in the General Fund is an important component of the City's financial stability and long-term fiscal health; and

WHEREAS, adequate reserves provide the City with liquidity to address cash flow needs, respond to emergencies, manage economic fluctuations, and stabilize operations during periods of revenue volatility; and

WHEREAS, the Government Finance Officers Association recommends that general-purpose governments maintain unrestricted budgetary fund balance in their General Fund of no less than two months of regular operating revenues or expenditures; and

WHEREAS, Ordinance No. 26-16 adopts an Unassigned Fund Balance Policy for the City of Mandeville and establishes a minimum unassigned fund balance requirement for the General Fund; and

WHEREAS, the City Council desires to complement Ordinance No. 26-16 by establishing additional policy guidance for maintaining a prudent target range for the General Fund's Unassigned Fund Balance; and

WHEREAS, the City of Mandeville desires to maintain its financial strength and provide for unexpected expenses in the future by striving to maintain an Unassigned Fund Balance in the General Fund between thirty percent (30%) and forty percent (40%) of annual General Fund operating expenditures; and

WHEREAS, the City Council desires to establish a formal policy to guide financial planning and ensure the responsible management of public resources.

NOW, THEREFORE, BE IT RESOLVED by the City Council of the City of Mandeville, Louisiana, that:

SECTION 1. Purpose
The purpose of this Resolution is to establish a policy for maintaining an adequate General Fund balance in order to support the City's financial stability, ensure continuity of services, and provide flexibility in responding to unforeseen circumstances. This Resolution is intended to complement Ordinance No. 26-16 and to provide policy guidance to be considered in connection with the City's annual budget process and long-term financial planning.

SECTION 2. Definition of Unassigned Fund Balance
For purposes of this policy, **Unassigned Fund Balance** shall mean the portion of the General Fund balance classified as Unassigned in accordance with Governmental Accounting Standards Board (GASB) Statement No. 54. Amounts classified as Nonspendable, Restricted, Committed, or Assigned, including encumbrances and amounts appropriated or designated for capital projects or other specific purposes, shall not be included when determining compliance with this policy.

SECTION 3. Target Fund Balance Range
In establishing the City's annual budget, the City shall strive to maintain an Unassigned Fund Balance between thirty percent (30%) and forty percent (40%) of annual General Fund operating expenditures, calculated using the same methodology described in Section 3.

Maintaining fund balance within this range provides additional financial stability and flexibility to address unforeseen circumstances, revenue volatility, natural disasters, and other emergency expenditures. Maintaining reserves within this range also supports the City's ability to manage temporary disruptions in revenue and delays in reimbursement for disaster-related costs.

If the Unassigned Fund Balance falls below the target range but remains above the minimum level established in this policy, the City shall consider measures over time to restore the fund balance to the target range within a reasonable period of time.

SECTION 4. Application During Budget Adoption
When preparing and adopting the annual budget, the City shall ensure that the projected Unassigned Fund Balance at the end of the budget year, after accounting for any planned use of fund balance, does not fall below the minimum level established in this policy.

The Finance Director shall provide an estimate of the projected year-end Unassigned Fund Balance as part of the annual budget presentation to the City Council.

If the proposed budget projects a fund balance below the minimum level, the City Council may adopt such a budget only upon determining that extraordinary circumstances exist and that a plan is in place to restore the fund balance to the minimum level within a reasonable period of time.

SECTION 5. Use of Fund Balance Above Target Range

If the Unassigned Fund Balance exceeds the upper limit of the target range, the City Council may consider the use of excess funds for nonrecurring purposes, including but not limited to:

- capital improvements;
- infrastructure investments;
- debt reduction; and
- strategic one-time initiatives.

SECTION 6. Authorization to Deviate

The City Council may authorize the use of fund balance below the target level in the event of declared emergencies, natural disasters, or other extraordinary circumstances. Any such action should include a plan to replenish the fund balance over a reasonable period of time.

SECTION 7. Policy Review

This policy shall be reviewed periodically by the City Council as part of the City's annual budget process or as otherwise deemed appropriate.

BE IT FURTHER RESOLVED that this Resolution shall become effective immediately upon adoption.

BE IT FURTHER RESOLVED that the Clerk of Council be and is hereby authorized and empowered to take any and all actions which she, in the exercise of her discretion, deems necessary to promulgate the provisions of this Resolution.

The Resolution being submitted to a vote, the vote thereon was as follows:

AYES: Strong-Thompson, Vogeltanz, Lane, Zuckerman
NAYS: Discon
ABSTENTIONS: 0
ABSENT: 0

And the Resolution was declared adopted this 25th day of June, 2026.

Alicia Watts

Alicia Watts
Clerk of Council

Jason Zuckerman
Council Chairman