Fund Balance/Contingencies Policies

Maintain the reserves, contingencies, and ending fund balances of the various operating funds at levels sufficient to protect the City's credit as well as its financial position from emergencies.

The following summarizes the City's Finance Policy No.1 in reserve levels and ending fund balances:

General Fund:

- Contingency, 14% of operations, plus an amount for risk management
- Ending fund balance, 16% of operations plus the "net" balance in the Building Department

Golf & Tennis Funds:

- Contingency, 10% of operations
- Ending fund balance, sufficient for a pay-as-you-go for CIP

Bonded Debt Service Fund:

- Ending fund balance, 100% for dry period

Note: No more than 25% of the general funds' reserves may be held in land at any one-time.

Fund Contingencies
The Golf, Tennis, Street, Water, Wastewater, LO-Tigard Water Supply Partnership and Surface Water funds shall each maintain general contingencies equal to at least 10% of their operational requirements.

The Systems Development Charges fund shall maintain general contingencies equal to the net balance of the fund.

The Engineering Fund shall maintain general contingencies equal to at least 5% of operations.

The Maintenance Services & Motor Pool fund shall maintain general contingencies of at least 3% of operations.

Fund Balance
Order of spending fund balance: the City considers when both restricted and unrestricted fund balance is available for use, the City is to use restricted fund balance first, and then unrestricted fund balance as needed. When unrestricted fund balance is spent, the City will consider that committed amounts will be reduced first, followed by assigned amounts, and then unassigned amounts last.

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