

RESOLUTION NO. 944

A RESOLUTION REPEALING AND REPLACING RESOLUTION NO. 555 AND APPROVING AND ADOPTING A FINANCIAL POLICY FOR THE BROKEN ARROW MUNICIPAL AUTHORITY RELATING TO MAINTAINING EMERGENCY RESERVE FUND BALANCE

WHEREAS, the Broken Arrow Municipal Authority (“Authority”) prepares and adopts its budget annually pursuant to the Municipal Budget Act; and

WHEREAS, on December 16, 2008, the Trustees of the Authority adopted Resolution No. 555 which adopted a Financial Policy relating to maintaining reserves; and

WHEREAS, consistent financial planning and management are important to the Authority’s ability to meet service demands, to maintain competitive levels of rates and fees, to absorb shocks resulting from fluctuations in the local and state economy, respond to emergencies and natural disasters and to issue bonds at the lowest possible interest rates; and

WHEREAS, adopting, maintaining and adhering to sound budgeting and financial planning policies promote consistent financial planning and management; and

WHEREAS, in order to meet unexpected needs and to minimize the disruption caused by unforeseen events, decreases in revenues and/or increases in expenditures from year to year, the Authority should maintain an Emergency Reserve Fund balance; and

WHEREAS, a set reserve level is intended to promote long range financial planning, to maintain adequate financial reserves, to increase investment in capital assets and to fund operating costs with operating revenues; and

WHEREAS, it is reasonable and proper to update the Financial Policy for the Authority, in accordance with the standards set forth above

NOW THEREFORE BE IT RESOLVED BY THE TRUSTEES OF THE BROKEN ARROW MUNICIPAL AUTHORITY:

1. That there should be maintained an Emergency Reserve fund balance in the Broken Arrow Municipal Authority equal to ninety (90) days of expenses for Water, Sewer, Sanitation and Stormwater Utilities.
2. That the expenses set forth above shall include all operating expenses, capital outlay expenses and expenses related to State Revolving Fund (SRF) loans.
3. That the City Manager shall prepare and submit future proposed budgets in accordance with Oklahoma Municipal Finance Law and the policy set forth herein.
4. Resolution No. 555 is hereby repealed and replaced by this Resolution No. 944.