

BOROUGH OF HILLSDALE
RESOLUTION 24142

SURPLUS POLICY

WHEREAS, the Mayor and Borough Council of the Borough of Hillsdale desires to set a policy for the unreserved, undesignated Fund Balance: and

WHEREAS, after careful consideration and recommendation from the Chief Financial Officer and Borough Administrator the Mayor and Borough Council has determined that the Fund Balance post Budget Adoption on any given year should be between 15 percent and 20 percent of the current year's Inside Cap operating budget; and

WHEREAS, the Borough of Hillsdale desires to establish an appropriate strategy if the post Budget Adoption Fund Balance drops below the 15 percent minimum or exceeds the 20 percent maximum;

NOW, THEREFORE, BE IT RESOLVED, by the Mayor and Borough Council of the Borough of Hillsdale that the policy for the unreserved, undesignated Fund Balance shall be as follows:

1. The Fund Balance post Budget Adoption of any given year should be between 15 percent and 20 percent of the current year's Inside Cap operating budget;
2. If the fund balance drops below the 15 percent minimum, the Governing Body shall take such action, aided by an economic plan developed by the Chief Financial Officer and the Borough Administrator to restore the fund to the acceptable level within two (2) years.
3. The Chief Financial Officer and the Borough Administrator shall devise a plan to be submitted to the Finance Committee from a mixture of the following elements designed to restore the Fund Balance:
 - a. Decrease the amount of surplus anticipated in the current and/or succeeding year's budget;
 - b. Increase the amount appropriated for the Reserve for Uncollected Taxes;
 - c. Evaluate funding level of reserves (accumulated absence, storm removal, tax appeal) and reduce reserve year budget transfers if appropriate.
 - d. Reduce anticipated Miscellaneous Revenues in current and/or succeeding budgets.
4. If the fund balance exceeds the 20% maximum, the portion above the top limit should be added to the amount of surplus anticipated in the current budget, and should be specifically dedicated to reduce short term debt and/or used to increase the contribution to the Capital Improvement Fund and/or used to increase the appropriation for various reserves ensuring that they are adequately funded and/or used to mitigate property tax increases.
5. After the Annual Financial Statement has been filed, the Chief Financial Officer shall report to the Borough Administrator and Finance Committee on the status of the fund balance as it relates to this policy, which report shall be considered during budget deliberations.

BE IT FURTHER RESOLVED, that it shall be the policy of the Borough of Hillsdale to maintain an adequate fund balance at all times, which fund is necessary to provide the cash required to meet the Borough's obligations and operations during those periods between tax collection cycles.

Council member	Motion	Second	Yes	No	Absent	Abstain	Recuse
Escobar, John		X	X				
Fox, Justin			X				
Lundy, Abby			X				
Osso, Clemente			X				
Ruocco, John	X		X				
Trochimiuk, Janetta			X				
Sheinfield, Michael							

Adopted: May 7, 2024

Attest: Denise Kohan
 Denise Kohan
 Municipal Clerk

Michael Sheinfield
 Michael Sheinfield
 Mayor