
Town of Palm Beach, Florida

Subject Policy: Town Marina Enterprise Fund Unrestricted Net Position

Effective Date: September 30, 2021

Purpose: The purpose of this policy is to establish an appropriate level of unrestricted net position in the Town Marina Enterprise Fund. Adequate levels of net position will provide for unanticipated financial impacts.

Policy: It is the policy of the Town of Palm Beach that the Town maintain minimum unrestricted net position levels equal to one year of operating expenses plus one year of debt service. This reserve would be sufficient to pay operating costs and debt service in case of a severe storm event that may close the marina for an extended period of time.

Amounts in excess of the minimum unrestricted net position will be partially used to fund the project cost deficits in the Townwide Underground Utility Project Fund. An amount of \$2,600,000 will be appropriated in the annual FY22 through FY26 budgets. This amount may be adjusted as the project continues in order to fund the project deficit.

Additional excess balance after the aforementioned appropriation may be used for one-time expenditures after review and approval by the Town Council. This review will occur each year during the budget process in order for appropriations to be made in the upcoming fiscal year budget. During the course of the fiscal year, if an expenditure from fund balance is deemed necessary and approved by the Town Council, a budget amendment will be prepared to appropriate funds from the marina reserves. The excess balance could also be used to prepay the marina construction loan in part or in full upon approval by the Town Council.

Responsibility: It is the responsibility of the Town Manager and the Finance Director to implement this policy. The Finance Director will report regarding the status of the net position in the Comprehensive Annual Financial Report.

Approval Date: