



## **Town of Miami Lakes Memorandum**

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**To:** Honorable Mayor & Councilmembers

**From:** Honorable Councilmember Josh Dieguez

**Subject:** 20% Reserves

**Date:** November 12, 2019

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### **Recommendation:**

In light of the increasing warning signs of trouble on the economic horizon, now is the time to start building up our savings accounts for hurricanes and other emergencies. It is better to save while times are good in order to avoid scrambling to fill any budget gaps later. Further, we should not make a credit line our only option for covering shortfalls and other financial difficulties.

I propose an amendment to the existing reserve ordinance that mandates a gradual increase over the next three fiscal years in the mandated reserves from 15% to 20%. Once money is set aside as part of compliance with this amendment to the ordinance, it becomes subject to the restrictions of the ordinance. Candidates during the 2018 elections made this a centerpiece of their campaign and after discussing it with former Manager Rey, observing changes of concern in the economy, and observing the challenges the Town has faced recently, I believe the Town should take steps toward increasing its financial cushion to better prepare the Town to handle the next hurricane, budget deficit, or economic downturn.

Fiscal Impact: None for Ordinance change; Fiscal Impact varies from year to year for budget change

Guiding Principles: 1, 2, 3, 4, 14

Objectives: 3, 5