

**RESOLUTION NO. \_\_\_\_\_**

**BOARD OF SUPERVISORS, COUNTY OF SAN MATEO, STATE OF CALIFORNIA**

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**RESOLUTION APPROVING AN UPDATED COUNTY RESERVES POLICY TO INCREASE RESERVE REQUIREMENTS, SET MAXIMUM RESERVE AMOUNTS, AND ESTABLISH PROCEDURES FOR ADDITIONAL OVERSIGHT, AS SET FORTH IN ATTACHMENT A**

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**RESOLVED**, by the Board of Supervisors of the County of San Mateo, State of California, that

**WHEREAS**, maintenance of appropriate fiscal reserves are critical to the County's capacity to manage revenue volatility and to help reduce the negative impact of economic downturns and potential loss of funding from other governmental agencies; and

**WHEREAS**, to establish and ensure consistent reserves policy for the General Fund and across County departments, the Board approved the County Reserves Policy in April 199, which policy was updated in 2010 at the Board's direction which and has not been updated since that time; and

**WHEREAS**, to ensure continued sound management of the County's finances in view of increased expenditures, inflation and risk of revenue volatility, the County Executive has prepared and presented to this Board an updated County Reserves Policy designed to strengthen the County's financial position and make available additional strategies for the County Executive to manage reserves, as set forth in Attachment A; and

**WHEREAS**, the updated County Reserves Policy will, as further detailed in Attachment A:

- (a) increase the overall minimum General Fund reserve requirement from 10 to

15 percent of County Net Appropriations which is inclusive of minimum requirements for Departmental Reserves (4%), Non-Departmental Reserves (6%) and General Fund appropriation for Contingencies (5%), such that Departmental Reserve requirements will increase from 2% of County Appropriations to 4%; and

(b) provide a mechanism for determining maximum percentage of Fund Balance a department can retain for Reserves or one-time projects and ensure that amounts in excess of this amount are reallocated; and

(c) establish special procedures to ensure increased departmental oversight from the County Executive in the event a department's Reserves fall below two percent of Net Appropriations; and

**WHEREAS**, the Board finds that adopting the updated County Reserves policy will facilitate sound management of County funds and enhance financial stability; and

**WHEREAS**, the Board has considered and desires to approve the updated County Reserves Policy, as set forth in attachment A to this Resolution.

**NOW, THEREFORE, IT IS HEREBY ORDERED AND DETERMINED** that the Board approves an updated County Reserves Policy to increase reserve requirements, set maximum reserve amounts, and establish procedures for additional oversight, as set forth in Attachment A.

**BE IT FURTHER RESOLVED** that the Board hereby authorizes and approves the taking of all necessary actions by the County Executive, or designee, and the execution and delivery of any and all documents deemed necessary or advisable by the County Executive, or designee, to effectuate the purposes of this Resolution.

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