

MENDOCINO COUNTY POLICY #32	GENERAL RESERVE AND CONTINGENCIES
ADOPTED: March 16, 1999	ADOPTED BY: Minute Order

The County of Mendocino will endeavor to establish a General Reserve to accomplish the following goals:

1. Provide for temporary funding of unforeseen needs due to an emergency of a nonrecurring nature.
2. Maintain the ability to withstand negative changes in local and regional economic conditions.
3. Permit orderly budgetary adjustments when anticipated revenues are reduced, or anticipated expenditures elevated, due to the actions of other governmental entities.
4. Meet unexpected increases in service delivery costs.
5. Maintain the highest possible credit rating and reputation for prudent financial management to lower the cost of capital borrowing and to assure the County's taxpayers that the County is well managed and financially sound.

In an effort to accomplish the goals enumerated above, the County will endeavor to establish a General Reserve of two percent (2%) of General Fund appropriations for any given fiscal year. Funding contributions for the General Reserve will be established through the following means.

- A. A minimum of twenty percent (20%) of all unrestricted general fund balance at the end of each fiscal year will be placed in the General Reserve until the reserve is equal to two percent (2%) of General Fund appropriations for the impending fiscal year.
- B. All receipts of unanticipated, nonrecurring, non-designated General Fund revenues will be evaluated for full or partial placement in the General Reserve the reserve is equal to two percent (2%) of General Fund appropriations for the impending fiscal year.
- C. During final budget deliberations for each fiscal year, the Board of Supervisors will review progress achieved toward meeting and maintaining the above described level of General Reserves, and may appropriate funds to said reserves.