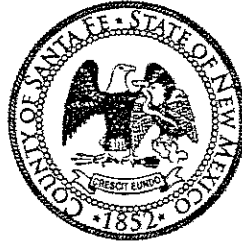


**Henry P. Roybal**  
*Commissioner, District 1*

**Anna Hansen**  
*Commissioner, District 2*

**Robert A. Anaya**  
*Commissioner, District 3*



**Anna T. Hamilton**  
*Commissioner, District 4*

**Ed Moreno**  
*Commissioner, District 5*

**Katherine Miller**  
*County Manager*

**DATE:** *July 10, 2018*

**TO:** *Board of County Commissioners*

**FROM:** *Stephanie Schardin Clarke, Finance Director*

**VIA:** *Katherine Miller, County Manager*

**RE:** Resolution 2018-\_\_\_\_, a Resolution Ratifying the Commitment of Santa Fe County Fund Balance (Finance Division / Stephanie Schardin Clarke)

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**ISSUE:**

The Finance Division requests ratification of the County's July 26, 2018 action committing Fiscal Year 2018 fund balances pursuant to the Santa Fe County Fund Balance, Reserve and Budget Contingencies Policy (the "Policy").

**BACKGROUND:**

At its June 9, 2015 meeting, the Board of County Commissioners (the "Board") approved Resolution 2015-84 adopting the Policy. This Policy provides that the Board may commit unrestricted fund balance to set aside reserves by passing a resolution or ordinance prior to June 30 of a given fiscal year.

At its June 26, 2018 meeting, the Board approved Resolution 2018-66 approving the County's final Fiscal Year 2019 budget, including the commitment of set aside reserves pursuant to the Policy as shown on the attached Exhibit A. However, the Finance Division requests approval of this resolution ratifying the reserve set aside to make the Board's action expressly clear.

The policy establishes minimum reserves that the County shall maintain in the General Fund, Special Revenue Funds that support on-going operations, and Enterprise Funds. Within the General Fund, minimum reserve requirements specifically include creation of a contingency reserve equal to 10% of the general fund budget, a disaster recovery reserve equal to 10% - 15% of the unrestricted fund balance from the prior year Comprehensive Annual Finance Report (CAFR), an uninsured loss reserve equal to 5% - 10% of the unrestricted fund balance from the prior year CAFR, and a major infrastructure repair and replacement reserve equal to 10% - 15% of the unrestricted fund balance from the prior year CAFR.

Further, in any special revenue fund or enterprise fund (excluding utilities) that supports staff and/or ongoing operations a minimum reserve requirement of 10% of the budget for that fund (excluding grants or funds supported by non-recurring sources) is required. Finally, the Utilities enterprise fund has a minimum reserve requirement of 50% of the operating budget.

For those reserve requirements that identify a percentage range of the unrestricted fund balance from the prior year CAFR, the recommended percentage to be committed is unchanged from the previous year's commitment level.

**ACTION REQUESTED:**

The Finance Division requests approval of this resolution to ratify the Board's commitment of FY 2018 fund balances for the purpose of setting aside funds for the reserves identified in the Policy.

# THE BOARD OF COUNTY COMMISSIONERS OF SANTA FE COUNTY

Resolution No. 2018 - \_\_\_\_\_

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## A RESOLUTION RATIFYING THE COMMITMENT OF SANTA FE COUNTY FUND BALANCE

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**WHEREAS**, on June 9, 2015, the Board of County Commissioners (Board) of Santa Fe County (County) passed Resolution 2015-84, which adopted the Santa Fe County Fund Balance, Reserve, and Budget Contingencies Policy (Policy); and

**WHEREAS**, all capitalized terms used herein have the meaning given them in the Policy; and

**WHEREAS**, the Policy established minimum Reserve requirements for various funds and purposes; and

**WHEREAS**, Section IV(F) of the Policy gives the Board the authority to set aside funds as Committed Fund Balance by passage of a resolution; and

**WHEREAS**, the Policy states that the Board must pass all Committed Fund Balance resolutions by June 30<sup>th</sup> of the applicable fiscal year; and

**WHEREAS**, County Finance Division staff has calculated the amount of funds that must be committed as Reserves for each fund and purpose to comply with the Policy, which amounts are set forth in Exhibit A by fund and/or purpose; and

**WHEREAS**, on June 26, 2018, the Board passed Resolution 2018-66, which adopted the County's final Fiscal Year 2019 budget and included a commitment of the amounts set forth in Exhibit A for the specific purposes identified in Exhibit A; and

**WHEREAS**, the Board desires to ratify its commitment of the amounts set forth in Exhibit A by adoption of this separate resolution.

**NOW, THEREFORE, BE IT RESOLVED**, that the Board hereby ratifies its commitment of the amounts set forth in Exhibit A for the specific purposes identified in Exhibit A.

**PASSED, APPROVED, AND ADOPTED** this 10<sup>th</sup> day of June, 2018.

**BOARD OF COUNTY COMMISSIONERS  
OF THE COUNTY OF SANTA FE**

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Anna Hansen, Chairperson

**ATTEST:**

\_\_\_\_\_  
**Geraldine Salazar, County Clerk**

**APPROVED AS TO FORM:**

\_\_\_\_\_  
**R. Bruce Frederick, County Attorney**

**FINANCE DIVISION APPROVAL:**

\_\_\_\_\_  
**Stephanie Schardin Clarke, Finance Division Director**

Exhibit A

**COMMITTED FUND BALANCE RESOLUTION**  
**SCHEDULE OF FUND BALANCE COMMITMENTS**  
 June 25, 2018

<b>FUND BALANCE TO COMMIT - GENERAL FUND</b>	<b>BASIS PER RESOLUTION 2015-84</b>	<b>FY 19 OPERATING</b>	<b>AMOUNT TO COMMIT</b>
Contingency Reserve	10% FY 19 Operating Budget	90,059,309	9,005,931
Disaster Recovery	12% of FY17 Unrestricted Fund Balance	63,503,600	7,620,432
Uninsured Losses	10% of FY17 Unrestricted Fund Balance	63,503,600	6,350,360
Major Infrastructure Repair/Replacement	13% of FY17 Unrestricted Fund Balance	63,503,600	8,255,468
<b>TOTAL FUND BALANCE TO COMMIT - GENERAL FUND</b>			<b>31,232,191</b>
<b>FUND BALANCE TO COMMIT - SPECIAL REVENUE FUNDS</b>			
Corrections Fees	10% FY 19 Operating Budget	312,150	31,215
Property Valuation Fund	10% FY 19 Operating Budget	1,785,469	178,547
Road Maintenance Fund	10% FY 19 Operating Budget	5,184,154	518,415
Environmental GRT	10% FY 19 Operating Budget	696,250	69,625
Lodger's Tax Facility Fund	10% FY 19 Operating Budget	135,210	13,521
Lodger's Tax Advertising Fund	10% FY 19 Operating Budget	254,747	25,475
Clerk's Filing Fees	10% FY 19 Operating Budget	190,643	19,064
Correctional GRT	10% FY 19 Operating Budget	5,058,000	505,800
Indigent Hospital Fund	10% FY 19 Operating Budget	5,058,000	505,800
Fire Excise Tax	10% FY 19 Operating Budget	1,753,671	175,367
Indigent Services Fund	10% FY 19 Operating Budget	5,610,434	561,043
Economic Development Fund	10% FY 19 Operating Budget	1,430,838	143,084
Emergency Medical Services Fund	10% FY 19 Operating Budget	1,109,106	110,911
Alcohol Programs Fund	10% FY 19 Operating Budget	1,615,677	161,568
Fire Operations Fund	10% FY 19 Operating Budget	17,094,101	1,709,410
RECC Operations Fund	10% FY 19 Operating Budget	4,168,574	416,857
Law Enforcement Operating Fund	10% FY 19 Operating Budget	15,182,765	1,518,277
Corrections Operating Fund	10% FY 19 Operating Budget	25,862,962	2,586,296
Self-Insurance Fund	10% FY 19 Operating Budget	5,746,000	574,600
<b>TOTAL FUND BALANCE TO COMMIT - SPECIAL REVENUE FUNDS</b>			<b>9,824,875</b>
<b>FUND BALANCE TO COMMIT - ENTERPRISE FUNDS</b>			
Enterprise Water Fund	50% FY 19 Operating Budget	11,951,021	5,975,511
Home Sales Program	10% FY 19 Operating Budget	250,354	25,035
Housing Authority	10% FY 19 Operating Budget	1,018,951	101,895
<b>TOTAL FUND BALANCE TO COMMIT - ENTERPRISE FUNDS</b>			<b>6,102,441</b>





