



RESOLUTION NUMBER: 2020-19

Establishing a Designated Special Reserve for Capital Improvements Policy

WHEREAS, the Governing body in and for the County of Roosevelt, State of New Mexico seeks to create a locally imposed special reserve fund in excess of State requirements to ensure the long-term financial stability of the County and protection the health, safety, and welfare of Roosevelt County residents due to revenue fluctuations and uncertain economic times; and

WHEREAS local governments are subject to risks associated with economic downturn, natural disasters, and other unanticipated events; and

WHEREAS, the Government Finance Officer Association's best practices recommend that governments establish a formal policy on the level of unrestricted fund balance that should be maintained; and

WHEREAS, the Board of Commission further establishes that the County will adhere to the Fund Balance Policy in Accordance with Governmental Accounting Standards Board (GASB) Statement 54; and

WHEREAS, it is essential that governments maintain adequate levels of fund balance to mitigate current and future risks; and

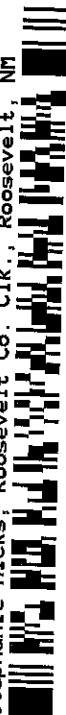
WHEREAS, the County is required to maintain a restricted fund balance for general fund operations of three-twelfths ($3/12^{\text{th}}$) and of one twelfths ($1/12$) for the County road fund; and

WHEREAS, credit agencies monitor levels of fund balance and unrestricted fund balance to evaluate a government's continued creditworthiness.

NOW, THEREFORE, BE IT RESOLVED by the Roosevelt County Board of Commission hereby creates a designated local reserve option for capital improvements hereinabove described and outlined below:

1. Fund Balance is the accumulated difference between assets and liabilities within governmental funds. A sufficient Fund Balance allows the County to meet its contractual obligations, provide funds for necessary governmental functions as established by the Board of Commissioners, mitigate negative revenue implications of federal or state budget actions and economic downturns, fund disaster or emergency costs, and provide funds for non-reoccurring expenses identified as necessary by the Board of Commission.
2. A Capital Improvements Fund is established within the General Fund. These funds are to be used for non-reoccurring expenses for the County as deemed necessary by the Board of Commission.
3. This fund will not have a required fund balance, but rather will be established in FY20 and the Board of Commission shall consider additional deposits annually prior to June 30th of each fiscal year as the general fund cash balances allow.
4. Upon adoption of this policy, the Board of Commission delegates to the County Manager to collaborate with the County Treasurer to establish any standards, procedures, and timelines which may be necessary for implementation.

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Stephanie Hicks, Roosevelt Co. Clk., Roosevelt, NM



5. Nothing in this policy precludes the Board of Commission from establishing additional or more stringent Fund Balance, Reserve, or budget contingency requirements in the County's budget or through other appropriate Board of Commission action.

PASSED, APPROVED AND ADOPTED this 23rd day of June, 2020.



Stephanie Hicks
Stephanie Hicks, Roosevelt County Clerk

**BODY OF COUNTY COMMISSIONERS
ROOSEVELT COUNTY, NEW MEXICO**

Matthew Hunton
Matthew Hunton, Chairman – District II
Voted: Yes No Abstained

Tina Dixon
Tina Dixon, Vice Chair – District IV
Voted: Yes No Abstained

Dennis Lopez
Dennis Lopez – District I
Voted: Yes No Abstained

Lewis (Shane) Lee
Lewis (Shane) Lee – District III
Voted: Yes No Abstained

Paul Grider
Paul Grider – District V
Voted: Yes No Abstained



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