

ROSS VALLEY FIRE DEPARTMENT

RESOLUTION NO. 23-10

**A RESOLUTION OF THE ROSS VALLEY FIRE DEPARTMENT
ADOPTING AN RESERVE POLICY FOR THE GENERAL FUND**

WHEREAS, the Ross Valley Fire Department Board of Directors (the “Board”) discussed adopting a reserve policy for the Ross Valley Fire Department, and it was agreed upon that staff would evaluate and provide a recommendation for the Board; and

WHEREAS, it is necessary for the Ross Valley Fire Department to set goals for its reserve requirements and the Board have determined that it is necessary for a reserve policy; and

WHEREAS, the Government Finance Officers Association recommends that public agencies attempt to maintain at least two months of unrestricted reserve against annual expenditures however adequacy of unrestricted fund balance in the general fund should take into account each government’s own unique circumstances; and

WHEREAS, industry practices with respect to reserve policies vary, with anywhere from five to ten percent is a common goal for a joint powers authority to have in reserve; and

WHEREAS, the Ross Valley Fire Department has established an unrestricted reserve that provides fiscal stability to the organization during cash flow fluctuations and against unanticipated changes in revenues and expenditures; and

WHEREAS, the Board has determined that a reserve of ten percent (10%) of General Fund expenditures will provide working capital to meet cash flow needs during normal operations and will reduce impacts from unforeseen events.

NOW, THEREFORE, BE IT HEREBY RESOLVED, that the policy for the Ross Valley Fire Department General Fund Reserve is hereby ten percent (10%).

I hereby certify that the foregoing Resolution was duly passed and adopted by the Ross Valley Fire Department Board of Directors on the 14th day of June 2023, by the following vote to wit:

AYES:
NOES:
ABSENT:
ABSTAIN:

Stephanie Hellman, Board President

ATTEST:

Mariana Gonzalez, Temporary Administrative Assistant