

Financial Reserves Policy

General Fund

Contingency/Emergency/Disaster Relief Reserve

The County should maintain at a minimum, a reserve of ninety days of General Fund operating expenditures to be used to ensure the maintenance of services to the public during non-routine and unforeseen disaster situations such as hurricanes and other weather-related events, as well as other environmental or other natural disasters that cause disruptions in public services as declared appropriate by the Board of County Commissioners of Sarasota County, Florida (the "Board").

Budget Stabilization and Economic Uncertainty Reserve

The County should maintain a reserve of thirty to sixty days of General Fund operating expenditures to be used for short term cash flow purposes, unanticipated expenditures of a nonrecurring nature, to meet unexpected immediate increases in service delivery costs, or to maintain service levels in the event that an economic downturn should cause a shortfall in revenues.

Development Services

Contingency/Emergency/Disaster Relief Reserve

The Development Services Fund should maintain a reserve of thirty to sixty days of operating expenditures to be used to ensure the maintenance of services to the public during non-routine and unforeseen disaster situations such as hurricanes and other weather-related events, as well as other environmental or other natural disasters that cause disruptions in public services as declared appropriate by the Board of County Commissioners of Sarasota County, Florida (the "Board").

Budget Stabilization and Economic Uncertainty Reserve

In addition the Development Services Fund should maintain a reserve of thirty to sixty days of operating expenditures to be used for short term cash flow purposes, unanticipated expenditures of a nonrecurring nature, to meet unexpected immediate increases in service delivery costs, or to maintain service levels in the event that an economic downturn should cause a shortfall in revenues.



Emergency Services

Contingency/Emergency/Disaster Relief Reserve

The Emergency Services Funds should maintain a reserve of thirty to sixty days of operating expenditures to be used to ensure the maintenance of services to the public during non-routine and unforeseen disaster situations such as hurricanes and other weather-related events, as well as other environmental or other natural disasters that cause disruptions in public services as declared appropriate by the Board of County Commissioners of Sarasota County, Florida (the "Board").



Budget Stabilization and Economic Uncertainty Reserve

In addition the Emergency Services Funds should maintain a reserve of thirty to sixty days of operating expenditures to be used for short term cash flow purposes, unanticipated expenditures of a nonrecurring nature, to meet unexpected immediate increases in service delivery costs, or to maintain service levels in the event that an economic downturn should cause a shortfall in revenues.



Utility System

Contingency/Emergency/Disaster Relief Reserve

The Utility System should maintain a reserve of sixty to ninety days of operating expenditures to be used to ensure the maintenance of services to the public during non-routine and unforeseen disaster situations such as hurricanes and other weather-related events, as well as other environmental or other natural disasters that cause disruptions in public services as declared appropriate by the Board of County Commissioners of Sarasota County, Florida (the "Board").



Solid Waste

Contingency/Emergency/Disaster Relief Reserve

The Solid Waste System should maintain a reserve of sixty to ninety days of operating expenditures to be used to ensure the maintenance of services to the public during non-routine and unforeseen disaster situations such as hurricanes and other weather-related events, as well as other environmental or other natural disasters that cause disruptions in public services as declared appropriate by the Board of County Commissioners of Sarasota County, Florida (the "Board").

In addition, the Solid Waste System should maintain a reserve of twenty to forty million dollars for the estimated out-of-pocket cost for right of way debris removal in the case of a major disaster.



Stormwater

Contingency/Emergency/Disaster Relief Reserve

The Stormwater System should maintain a reserve of sixty to ninety days of operating expenditures to be used to ensure the maintenance of services to the public during non-routine and unforeseen disaster situations such as hurricanes and other weather-related events, as well as other environmental or other natural disasters that cause disruptions in public services as declared appropriate by the Board of County Commissioners of Sarasota County, Florida (the "Board").



Fleet Services

Fleet Services should maintain a Fixed Asset Replacement Reserve equal to the estimated replacement cost of assets to be funded from user departments over the expected useful life of the asset. The Fixed Asset Replacement Reserve will be used for the replacement of assets currently in service.



Information Technology

Information Technology should maintain a Fixed Asset Replacement Reserve equal to the estimated replacement cost of assets and anticipated enhancements and improvements to the technology infrastructure to be funded from user departments over the expected useful life of the asset. The Fixed Asset Replacement Reserve will be used for replacement, enhancements or improvement of technology assets.



Risk Management

Risk Management should maintain an overall reserve equal to the 80% discounted confidence level of the annual actuarial study to ensure financial viability. The Finance Department of the Clerk of Circuit Court books the discounted expected reserve level from the actuarial report as a liability, The difference between that amount and the 80% discounted confidence level will be posted as an additional reserve in compliance with this policy.

In addition, should a claim be made against the County that is identified subsequent to the actuarial report and prior to the issuance of the Comprehensive Annual Financial Report that is financially material to the fund and highly likely to succeed, additional reserves should be established to provide adequate funds in reserve. Reserves will be funded through the premium rates charged to the covered entities.



Medical Benefits

The Medical Benefits Fund should maintain a reserve in accordance with the annual actuarial certification requirement to ensure financial viability. The annual actuarial certification is required by the State of Florida. The County will procure an actuarial study annually and will take a conservative approach when establishing the amount of reserves required. The Finance Department of the Clerk of Circuit Court shall book the net claim liability per the actuarial study. In addition, the County shall maintain the required reserve of 20% of projected claims.

Workers Compensation

The Workers Compensation Fund should maintain an overall reserve equal to the 80% discounted confidence level of the annual actuarial study to ensure financial viability. The Finance Department of the Clerk of Circuit Court books the discounted expected reserve level from the actuarial report as a liability. The difference between that amount and the 80% discounted confidence level will be posted as an additional reserve in compliance with this policy. Due to the nature of workers compensation claims, i.e., extended time frames and uncertainty regarding resolution, the actuary must develop recommended reserves for the fund based on percentage levels of confidence (70%, 80%, and 90%).

Compensated Absences

Compensated Absences will be fully funded in all funds, where practical and available.

Complete Sarasota County Financial Reserves Policy:

http://www.sarasotaclerk.com/FileLib/Policy_Financial_Reserves_R2011-119.pdf