

RESOLUTION 2023-01

A RESOLUTION OF THE CHILDREN'S SERVICES COUNCIL OF LEON COUNTY ADOPTING A POLICY REGARDING FUNDS HELD IN RESERVE; AND PROVIDING AN EFFECTIVE DATE.

SECTION 1. AUTHORITY. This Resolution of the Children's Services Council of Leon County ("CSC Leon") is adopted pursuant to Ordinance No. 2018-13 adopted by the Board of County Commissioners of Leon County, Florida on June 19, 2018, as approved by the electorate of Leon County at the general election conducted on November 3, 2020, section 125.901, Florida Statutes, chapter 189, Florida Statutes, and other applicable provisions of law.

SECTION 2. FINDINGS. It is hereby ascertained, determined and declared as follows:

(A) CSC Leon is an independent special district established by ordinance of Leon County, Florida (the "County") which relies upon annual ad valorem tax revenues to fund its operations each year.

(B) CSC Leon is subject to annual budgeting requirements regarding its revenues and expenditures as established by Florida law, including but not limited to those set forth in Chapter 189, Florida Statutes, Section 125.901, Florida Statutes, and Section 200.069, Florida Statutes,

(C) The Governing Council of CSC Leon (the "Governing Council") desires to adopt a policy concerning reserve fund objectives and parameters to manage both catastrophe and contingency funds for CSC Leon (the "Reserves Policy").

(D) The Governing Council understands it is essential for governments to maintain adequate levels of fund balance to mitigate current and future risks from extreme events, natural disasters, recessions, revenue and expenditure volatility, and other risk factors.

(E) The Reserves Policy adopted herein is based on sound fiscal principles and best practices designed to allow CSC Leon to maintain continuity of operations in adverse conditions while being mindful of the fiduciary responsibility to taxpayers.

SECTION 3. RESERVE POLICY. The Governing Council hereby establishes and adopts the Reserves Policy for CSC Leon attached hereto as Appendix A.

SECTION 4. EFFECTIVE DATE. This Resolution shall take effect immediately upon its adoption.

DULY ADOPTED this 2nd day of February, 2023.

**CHILDREN'S SERVICES COUNCIL
OF LEON COUNTY**

Chair

ATTEST:

Executive Director

[SEAL]

APPENDIX A



Reserves Policy

The purpose of this Reserves Policy ("Policy") is to set forth the reserve funds objectives and parameters to manage both Catastrophe and Contingency Funds for the Children's Services Council of Leon County ("CSC Leon"), Florida. This Policy is designed to ensure the prudent management of public funds and the availability of operating funds, when needed. CSC Leon believes that sound financial management principles require that sufficient funds be retained by the Council to provide a stable financial base at all times. To retain this stable financial base, the Council needs to maintain a Reserves Fund Balance sufficient to support all cash flows, provide financial resources for unanticipated and/or unforeseen expenditures of an emergency nature, and to offset significant economic downturns or revenue shortfalls.

This policy will specify the size and composition of the Council's financial reserves.

1. Catastrophe Reserves:

- a) Catastrophe Reserves will be maintained at 2% annualized of the budgeted ad valorem tax revenue for the ensuing year.
- b) Catastrophe Reserves will provide immediate cash flow in the event of a natural disaster to bridge gaps in services until long-term solutions are established.
- c) Funding at the state level designated for natural disasters will be leveraged prior to utilizing CSC Leon Funds.
- d) The Council will have the ability to reallocate funding within the Reserve categories should it be deemed necessary to address any immediate needs.

2. Contingency Reserves:

- a) Contingency Reserves will be maintained at 8% annualized of the budgeted ad valorem tax revenue for the ensuing year.

- b) Contingency Reserves will provide immediate cash flow to support the continued operations of CSC Leon to include payment of staff salaries, purchase of materials and equipment, and continued contractual obligations as deemed necessary.
- c) Contingency Reserves can be utilized in the event of unexpected operational circumstances to include, but not be limited to, reduction in the collection of ad valorem tax revenue and/or significant economic downturns.
- d) The Council will have the ability to reallocate funding within the Reserve categories should it be deemed necessary to address any immediate needs.

Annual Review:

The Council will determine compliance with the provisions set in this policy as part of the annual budget process. As such, the Council will review the allocation and use of Reserves funding to determine the suitability of the amount allocated in the budget for the ensuing year.