


**JEFFERSON COUNTY  
BOARD OF COUNTY COMMISSIONERS**

**REGULAR AGENDA REQUEST**

TO: Board of County Commissioners  
 FROM: Philip Morley, County Administrator   
 DATE: December 12, 2011  
 SUBJECT: Resolution Updating the Working Capital Reserves

**STATEMENT OF ISSUE:**

Update working capital requirements for all Jefferson County Funds.

**ANALYSIS:**

The required working capital reserves have been reviewed during the 2012 budget process and the following changes are proposed from previous Resolution 20-08 and Resolution 49-08: Reserves include a percent of revenue or expenditure for each fund, as well as a minimum dollar reserve for certain specific funds.

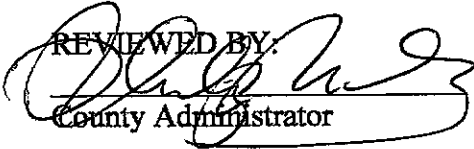
Fund	Resolution 20-08 and 49-08		Proposed Resolution		Reason for Change
	Percent	Minimum	Percent	Minimum	
119-JEFFCOM CAPITAL FUND (new 2011)			5% of Debt		JeffCom Debt service paid out of fund 119 beg. 2011, new proposed reserve requirement
121-JEFFCOM ENHANCEMENT	50% of Debt				Fund closed out 2011, Debt Service moved to Fund 119
123-JEFF CO GRANT MANAGEMENT FUND	10% of Expend.	118,000	10% of Expend.	73,000	Move 45,000 to Special Projects Fund for cash flow, 73,000 is sufficient for cash flow
128-WATER QUALITY	10% of Expend.	181,000	10% of Expend.	171,000	Reduce by \$10,000 bringing minimum total to \$171,000, which is sufficient for cash flow.
129-ANIMAL SERVICES	10% of Expend.	36,000	10% of Expend.	24,000	Reduced minimum reserve, \$24,000 is sufficient for cash flow
131-CHEMICAL DEPEND/MENTAL HEALTH	20% of Revenue		10% of Revenue		Change reserve to 10% of Revenues, 10% is sufficient for cash flow.
177-SPECIAL PROJECTS FUND			10% of Expend.	45,000	Moved from fund 123, reserve required for cash flow for special projects

**FISCAL IMPACT:**

Reduces minimum requirements for all funds combined by a net of \$22,000, and lowers the percent reserve required for fund 131 to 10% of revenue.

**REQUESTED ACTION:**

Approve attached resolution updating and confirming working capital reserves for all funds.

REVIEWED BY:   
 County Administrator

12/7/11  
 \_\_\_\_\_  
 Date

STATE OF WASHINGTON  
County of Jefferson

In the Matter of Updating the Working }  
Capital Reserve Requirement for Each }  
County Fund }

RESOLUTION NO. \_\_\_\_\_

*WHEREAS*, it is critical to the adequate financial management of County Funds to clearly define the working capital reserves required for each County Fund; and

*WHEREAS*, Resolution No. 20-08 and Resolution No. 49-08 approved in 2008 stipulate the reserve requirements for all County Funds, and,

*WHEREAS*, the specific recommendations for the type and level of reserve for each County Fund have been reviewed by staff and elected officials; and,

*WHEREAS*, the County Administrator is supportive of these reserves,

*THEREFORE BE IT RESOLVED*, that the Board of Commissioners replaces Resolution No. 20-08 and Resolution No. 49-08 with this resolution; and, this resolution also replaces the estimated required reserve amounts shown on 2011 budget Resolution No. 56-10; and

*BE IT FURTHER RESOLVED*, that the Board of Commissioners hereby directs the County Administrator, Department Heads and Elected Officials to consider the reserve requirements as they manage their budgets, as they prepare budgets during the annual budget preparation process, and as they prepare supplemental budget requests.

*APPROVED* this \_\_\_\_ day of December, 2011.

JEFFERSON COUNTY  
BOARD OF COMMISSIONERS

SEAL:

John Austin, Chairman

Phil Johnson, Member

ATTEST:

Raina Randall  
Deputy Clerk of the Board

David Sullivan, Member

**JEFFERSON COUNTY - List of Reserve Requirements - All Funds**

12/7/2011

<i>Fund</i>	<i>%</i>	<i>Minimum reserve</i>	<i>Description</i>
001-GENERAL FUND	10%		10% of Total Spending
105-AUDITOR'S O&M	10%		10% of Total Spending, Excluding Capital
106-COURTHOUSE FACILITATOR	N/A		None Required
107-BOATING SAFETY PROGRAM	10%		10% of Total Spending, excluding capital
108-COOPERATIVE EXT. PROGRAMS	10%	32,000	10% of Total Spending, or \$32,000, whichever is larger
113-4-H AFTER SCHOOL	10%	10,000	10% of Total Spending, or \$10,000, whichever is larger
114-ECONOMIC DEVELOPMENT	25%		25% of Total Spending
118-JEFFCOM CAPITAL FUND (new 2011)	5%		5% of Debt Service Expense
120-CRIME VICTIMS SERVICES	10%		10% of Total Spending
122-E-911 TELEPHONE (JEFFCOM)	10%		10% of Total Spending, Excluding Capital
123-JEFF CO GRANT MANAGEMENT FUND	10%	73,000	10% of Total Spending, or \$73,000, whichever is larger
125-HOTEL-MOTEL	25%		25% of Total Spending
126-H&HS SITE ABATEMENT	N/A		None Required
127-PUBLIC HEALTH	10%	253,981	10% of Total Spending, or \$253,981, whichever is larger
128-WATER QUALITY	10%	171,000	10% of Total Spending, or \$171,000, whichever is larger
129-ANIMAL SERVICES	10%	24,000	10% of Total Spending, or \$24,000, whichever is larger
130-MENTAL HEALTH	N/A		Pass Through Fund only
131-CHEMICAL DEPEND/MENTAL HEALTH	10%		10% of Total Revenues
135-JEFFERSON COUNTY DRUG FUND	10%		10% of Total Spending
136-SHERIFF DRUG INVESTIGATION	10%		10% of Total Spending
140-LAW LIBRARY	10%		10% of Total Spending, Excluding Capital
141-TRIAL COURT IMPROVEMENT	10%		10% of Total Spending
142-PUBLIC DEFENSE FUNDING	N/A		None Required
143-COMMUNITY DEVELOPMENT	10%	153,000	10% of Total Spending, or \$153,000, whichever is larger
147-FEDERAL FOREST TITLE III	10%		10% of Total Spending
148-JEFF CO AFFORDABLE HOUSING	10%		10% of Total Spending
150-TREASURER'S O&M	N/A		None Required (RCW84.56020(08))
151-REET TECHNOLOGY FUND	N/A		None Required
155-VETERANS RELIEF	10%		10% of Total Spending
160-WATER POLLUTION CNTRL LOAN FUND	10%	67,000	10% of Total Spending, or \$67,000, whichever is larger
174-PARKS AND RECREATION	10%	64,000	10% of Total Spending, or \$64,000, whichever is larger
175-COUNTY PARKS IMPROVEMENT FUND	N/A		Capital projects only; Fund requires no working capital
177-SPECIAL PROJECTS FUND	10%	45,000	10% of Total Spending, or \$45,000, whichever is larger
178-POST HARVEST TIMBER MGMT RESV	N/A		Special Projects only, Based on prefunding expenses
180-COUNTY ROADS	25%		25% of Operating Expenses, excluding capital
181-EMERGENCY ROAD RESERVE	N/A		Emergency Projects only, based on prefunding
183-FACILITIES MANAGEMENT	10%	66,000	10% of Total Spending, or \$66,000, whichever is larger
185-FLOOD/STORM WATER MANAGEMENT	N/A		Capital projects only; Fund requires no working capital
186-BRINNON FLOOD CONTROL SUB-ZONE	N/A		Capital projects only; Fund requires no working capital
187-QUILCENE FLOOD CONTROL SUB-ZONE	N/A		Capital projects only; Fund requires no working capital
301-CONSTRUCTION & RENOVATION	N/A		10% of Total Spending
302-COUNTY CAPITAL IMPROVEMENT	50%		50% of Annual Debt Service expense
304-H.J. CARROLL PARK	N/A		Capital projects only; Fund requires no working capital
306-PUBLIC INFRASTRUCTURE	Varies		Unpaid portion of approved grants
308-CONSERVATION FUTURES TAX	10%		10% of Total Spending
401-SOLID WASTE	10%		10% of Total Spending
402-SOLID WASTE POST CLOSURE	N/A		Based on prefunding post-closure expenses
403-SOLID WASTE EQUIPMENT RESERVE	N/A		Capital projects only; Fund requires no working capital
404-YARD WASTE EDUCATION FUND	N/A		Prefunded expenses
405-TRI-AREA SEWER FUND	10%		10% of Total Spending, Excluding Capital
501-EQUIPMENT RENTAL & REVOLVING	25%		25% of 12/31 Accumulated Depreciation for Equipment
502-RISK MANAGEMENT RESERVE	N/A	150,000	10% of Total Spending, or \$150,000, whichever is larger
503-JC UNEMPLOYMENT RESERVE	10%		10% of Total Spending
504-INDUSTRIAL INSURANCE RESERVE	10%		10% of Total Spending
505-EMPLOYEE BENEFIT RESERVE	10%		10% of Total Spending
506-INFORMATION SERVICES	25%		25% of 12/31 Accumulated Depreciation for Equipment