

Budget Stabilization Reserve
Recommended Uses and Approval Process

Recommended Uses:

The Use of the Budget Stabilization Reserve may be necessary from time to time to meet unexpected expenses that are necessary and unable to be provided for in the current fiscal year's adopted budget. Examples include, but are not limited to, the following:

- To provide for emergency funding necessary to address expenses associated with natural or man-made disasters
- to take advantage of unanticipated financial opportunities that would enhance the well-being of Albemarle County or protect its long-term fiscal security
- to meet unexpected unfunded necessary operational expenses, such as unexpected increases in utility or fuel
- to stabilize the County's revenues in a given fiscal year due to an unexpected economic downturn or unexpected loss of state and federal revenues

Recommended Approval Process for the Budget Stabilization Reserve:

- 1) OMB staff, in consultation with the County Executive ascertains that the potential expense meets an approved use of the fund and that no other funding is available in the current fiscal year to address the event/expense.
- 2) Staff prepares an Executive Summary for the Board. The request clearly outlines the request, identifies the need and clarification how the request meets an approved use. The Executive Summary will include the rational for requesting the funding provided from the Budget Stabilization Reserve.
- 3) Staff verbally presents the request at a regular or emergency Board meeting (not on consent agenda).
- 4) Depending on the urgency of the request and the rational provided to the Board, the Board can either approve the request at that time, or direct staff to bring the request back to the Board for a second reading before approval.
- 5) If funding is provided from the Reserve, the Reserve would be replenished in accordance with Policy Guidelines.

Unassigned General Fund fund Balance:

The *10% Unassigned General Fund fund balance* should primarily provide for the County's cash flow requirements. There should be no other uses of the 10% General Fund fund balance reserve unless the County faces a significant catastrophic event and other County Reserves are no longer available.

Attachment B