



Item (4)
10/26/10

COMMISSIONERS COURT AGENDA REQUEST FORM

ALL REQUESTS WITH SUPPORTING DOCUMENTATION TO BE PLACED ON THE COURT AGENDA MUST BE RECEIVED BY THE COUNTY JUDGE **NO LATER THAN 12:00 NOON ON THE TUESDAY PRECEDING A TUESDAY MEETING**. REGULAR COMMISSIONERS COURT MEETINGS ARE HELD ON THE SECOND AND FOURTH TUESDAYS OF THE MONTH. REQUEST THAT DO NOT HAVE SUPPORTING DOCUMENTATION WILL BE REMOVED FROM THE AGENDA. **EIGHT COPIES OF DOCUMENTATION ARE NEEDED FOR THE COURT.**

NAME: Bill Sinclair

COURT DATE: October 26, 2010

ACTION TO BE TAKEN BY COURT:

Discuss/Act on approving a revision to the Financial Reserve Policy for the County and all related matters.

PROPOSED MOTION:

Move that the County adopt the revised Financial Reserve Policy.

REMARKS:

A draft of the proposed revision was discussed in some detail during a Commissioners Court Workshop held on October 19, 2010. The proposed revision involved the rewording of the last "Whereas" statement to make it more generic and to emphasize the clear intention of the Commissioners Court to achieve an 'AAA' bond rating. The attached revision reflects and highlights the changes that have been incorporated into the policy.

HAS THIS ITEM BEEN BEFORE THE COMMISSIONERS COURT PREVIOUSLY? No
IF SO, WHEN _____

FISCAL IMPACT \$ None ;

FROM WHICH LINE
ITEM: _____

RETURN TO: COUNTY JUDGE
101 EAST RUSK, ROOM 202
ROCKWALL, TEXAS 75087
Phone: 972-204-6000
Fax: 972-204-6009



FILED FOR RECORD
ROCKWALL CO. TEXAS

2010 OCT 28 PM 1: 32

ROCKWALL
COUNTY CLERK

DY: DEPUTY

**County of Rockwall, Texas
Commissioners Court Order Establishing a
Financial Reserve Policy – General Fund**

WHEREAS predecessors of and current members of this Commissioners Court demonstrated by their actions that having a financial reserve was important; and

WHEREAS the rapid growth of the County over the past decade combined with conservative financial management has permitted the creation of a General Fund balance of \$19 million; and

WHEREAS predecessor Commissioners Courts did not set forth a written policy regarding the purpose and use of available financial reserves; and

WHEREAS the rapid growth of the County has placed current and future operating and capital demands on the County’s resources; and

WHEREAS bond-rating agencies look favorably upon entities that establish and abide by written financial policies; and

WHEREAS the County intends to achieve and retain a “AAA” rating as a matter of course;

NOW THEREFORE BE IT REMEMBERED that the Commissioners Court on the date set forth below hereby establishes the following policy regarding financial reserves of the County’s General Fund:

1. It is the policy of the County’s governing body to achieve and maintain a reserve balance providing for four to six months of its annual budgeted expenditures,
2. The use of available funds in the reserve shall be determined by deliberative action of the Commissioners Court based upon consideration of the following factors:
 - a. The current and projected economic environment at the time the annual expenditure budget is established,

- b. The impact of projected operating and capital expenditures on the cash needs of the County,
 - c. The acknowledgement of the difference between operating and capital needs resulting from the constitutional mandates placed upon the County and those resulting from other demands,
 - d. The methods available to finance the projected cash needs, including the use of reserves,
 - e. The impact of alternative financing on the current and projected property tax rates required to fund the expenditure budget,
 - f. The desire to carefully manage the property tax rate so as to avoid undue financial hardship on the County's taxpayers,
 - g. Recognition of the fact that a deficit budget results in the decrease of the fund balance and, by definition, the financial reserve.
3. Should, for whatever reason, the reserve fall below the range set forth in item 1 as the goal, the Commissioners Court shall develop a plan to re-establish the reserve.
 4. A copy of this and other policies established to guide the governing body of the County shall be provided to each newly elected member of the Commissioners Court prior to the first regular meeting of the court.

Revised this 26th day of October, 2010, thereby replacing the policy statement of March 23, 2010.



 Chris Florance
 County Judge



 Jerry Wimpee, Comm. Pct. 1



 Lorie Grinnan, Comm. Pct. 2



 Dennis Bailey, Comm. Pct. 3

ABSENT

 David Magness, Comm. Pct. 4

ATTEST:



 Lea Carlson, Deputy County Clerk