



RESOLUTION/ORDINANCE EXECUTIVE SUMMARY

Resolution: No.

Amending the Kane County Financial Policies to Consolidate Four Reserve Funds

Committee Flow: Finance and Budget Committee, Executive Committee, County Board

Contact: Kathleen Hopkinson, 630.208.5132

Budget Information:

Was this item budgeted? N/A	Appropriation Amount: N/A
If not budgeted, explain funding source:	

Summary:

Kane County's Financial Policies for reserves have the objective for the Corporate (General) Fund to have a minimum of 3 months operating expenditures. Over the years, the County has created four funds (accounts) to hold reserves in excess of the 3 months of operating expenditures. The four accounts are the:

- Special Reserve Fund, Resolution 13-87, which was established to set aside reserves for specific future budgeted expenditures
- Emergency Reserve Fund, Resolution 14-98, which was established to set aside funds for an unbudgeted emergency expenditure or shortfall in General Fund Other Tax Revenue
- Property Tax Freeze Protection Fund, Resolution 14-99, which was established to set aside funds to be drawn upon in the future in lieu of a property tax levy increase
- Covid Payroll Reimbursement Fund, Resolution 22-80, which was established for the purposes of tracking savings generated by payroll reimbursements from the CARES Act Fund and subsequently from the American Rescue Plan (ARPA) funds

For financial reporting purposes in the Annual Comprehensive Financial Report (ACFR), the Special Reserve, Emergency Reserve, Property Tax Freeze Protection, and Covid Payroll Reimbursement, are all considered sub-accounts of the General Fund as they meet the definition of "General Fund"

For purposes of clarity and transparency and to focus attention on these reserves that are in excess of the 3 month reserves, the Finance Department recommends consolidating these four accounts into one account called the Special Reserve Account.

Staff recommends approval of the revised Kane County Financial Policies