SNOHOMISH HEALTH DISTRICT
HEALTH DISTRICT
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SNOHOMISH HEALTH DISTRICT
RESOLUTION OF THE BOARD OF HEALTH

RESOLUTION NUMBER: 16-020

RESOLUTION SUBJECT: REVISION OF FINANCIAL POLICIES – RESERVES

WHEREAS, the Snohomish Health District adopted Resolution 13-11 on September 10, 2013, which established Financial Policies and Reserves; and

WHEREAS, the Snohomish Health District desires now to increase that portion fund balance for the Reserve for Working Capital from 30 days of operational expenses to 45 days of operating expenses; and

WHEREAS, the Snohomish Health District intends to further increase the Reserve for Working Capital from 45 days to 60 days of operating expenses as soon as practicable; and

WHERAS, The Snohomish Health District desires now to establish and maintain a committed portion of fund balance, which may only be used for the specific purpose of satisfying liabilities for Compensated Absences.

NOW, THEREFORE, BE IT RESOLVED that the Board of Health hereby amends the "Reserves" section of the Financial Policies, as last promulgated by Resolution 13-11, and as set forth in attached Exhibit A, as follows:

Revise the first two sentences of Working Capital Reserves, Section 1, to read as follows:

"The District's general fund will maintain a Working Capital Reserve sufficient to cover the estimated working capital needs of the District. The actual amount of this reserve will be determined annually as part of the annual budget and included by resolution with the budget approval."

Add new Compensated Absences Reserves, Section 9, to read as follows:

"The District's general fund will maintain within its unassigned fund balance an amount which represents the District's liability for Compensated Absences, adjusted annually to equal the amount reported in the District's most recently audited Statement of Net Position, rounded upward to the nearest multiple of $100,000."

ADOPTED this 13th day of December 2016.

Brian Sullivan, Chair
Board of Health

ATTEST:

Gary Goldbaum, MD, MPH
Health Officer and Director

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