

RESOLUTION NO. _____

**RESOLUTION OF THE LOS ALTOS HILLS COUNTY FIRE DISTRICT
COMMITTING FUNDS FOR FISCAL YEAR 2015-2016**

WHEREAS, the Board of Commissioners of the Los Altos Hills County Fire District ("District") has determined it is necessary to address GASB 54 and the commitment of funds; and

WHEREAS, the District's Auditor has recommended that the District adopt a Resolution to comply with GASB 54; and

WHEREAS, the Board of Commissioners as the District's highest level of decision making authority, may commit a portion of its fund to Committed Funds for specific purposes and it may impose specific constraints on those Committed Funds; and

WHEREAS, the District has determined that the amounts of the committed funds are reasonable and appropriate for the needs of each category; and

WHEREAS, the District has \$4,496,405.00 in unassigned funds in the 2015-2016 budget; and

WHEREAS, the District has adopted a budget for Fiscal Year 2015-2016 in which it has committed funds that cannot be used for other purpose unless this Resolution is amended;

NOW, THEREFORE, the Board District does **RESOLVE** as follows:

1. For Fiscal Year 2015-2016 the following amounts shall be committed for the purpose of GASB 54:

a.	Emergency Operations	\$2,000,000.00
b.	Operations	\$2,000,000.00
c.	Insurance	\$ 100,000.00

Total	\$4,100,000.00
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2. The purpose of the Committed Funds for Emergency Operations is to ensure that adequate funds are available for unplanned emergency operations such as a major earthquake and/or fire. It is impossible to know exactly what funding level might be required to handle a major emergency. But a reasonable expectation is that roughly twice the normal operations expenditure rate could be expected in a major conflagration or earthquake. The Commission has

determined that \$2,000,000.00 is a reasonable and prudent committed reserve amount to commit to those needs.

3. The purpose of the Committed Funds for Operations is to accommodate currently undefined fire operations or prevention programs or for new equipment that can and has become both apparent and urgent during the fiscal year. In light of this history of operations, the Commission has determined that \$2,000,000.00 is a reasonable and prudent amount to commit to those needs.

4. The purpose of the Committed Funds for Insurance is to augment and procure additional insurance to cover liabilities accrued from the District's normal operations, the Commission's District operations and the Commission's and individual's decisions.

The Fire District has insurance. It was originally believed to have been adequate for the need and has been in place for many years. However, when the coverage was more closely examined, it was analogous to a simple home insurance policy rather than a Municipal or Commercial policy type.

The Commissioners also realized that the District's operations and decisions have potentially large liabilities. They realized that the District is under-insured and an effort to procure adequate insurance began. The Commission does not yet have a good estimate for the cost for such insurance. Although, using comparative estimates from other businesses and, absent other estimates, the Commission has determined that \$100,000.00 is a reasonable and prudent amount to commit to those needs for the coming fiscal year. Once the actual insurance cost is known, future budgets will be appropriately revised to annually plan for this new expense.

5. The District hereby authorizes the President and the District's financial consultant to take any and all, if any, additional steps necessary to commit the funds as set forth in Paragraph 1 and/or to comply with GASB 54.

PASSED AND ADOPTED this 19th day of May, 2015.

By:

Dorothy D. Price, Board President

ATTEST:

District Clerk