

ORDINANCE NO. 5174

AN ORDINANCE OF THE COUNTY OF MONTEREY, STATE OF CALIFORNIA, AMENDING SECTION 5.06.020 OF THE MONTEREY COUNTY CODE RELATING TO THE GENERAL FUND STRATEGIC RESERVE.

County Counsel Summary

*This ordinance amends section 5.06.020 of the Monterey County Code to establish the Natividad Medical Center Strategic Reserve as a sub-designation within the County of Monterey's General Fund Strategic Reserve. The General Fund Strategic Reserve is a designated portion of the unreserved General Fund balance of the County of Monterey set aside as a reserve for economic uncertainties, natural disasters, legal settlements, and annual contingencies. This ordinance creates the Natividad Medical Center Strategic Reserve, to be funded by the Natividad Medical Center (NMC) unreserved fund balance, as a budgetary reserve for the purposes and use of the Natividad Medical Center. The Board of Supervisors would determine its use after seeking recommendation of the NMC Board of Trustees.*

The Board of Supervisors of the County of Monterey ordains as follows:

SECTION 1. Section 5.06.020 of the Monterey County Code is amended to read as follows:

A. Designation. The General Fund Strategic Reserve shall be a designation of a portion of the unreserved General Fund balance for the purposes and use set forth herein. The Natividad Medical Center (NMC) Strategic Reserve designation shall be established as a sub-designation of the General Fund Strategic Reserve and shall be deemed the reserve of the Natividad Medical Center.

B. Amount. The amount of the General Fund Strategic Reserve shall be equal to ten (10) percent of the total General Fund Final Budget estimated revenues and the goal shall be to fund over a period of eight years beginning with Fiscal Year 2005-06.

C. Purposes and Use. The General Fund Strategic Reserve shall be used to fund settlement of legal judgments against the County in excess of reserves normally designated for litigation, for short-term revenue reductions due to economic downturns, for natural disasters as determined by the County Administrative Officer or Board of Supervisors, and for one-time only State budget reductions that could not be addressed through the annual appropriations for contingencies in the General Fund. The Natividad Medical Center Strategic Reserve shall be used only for purposes of the Natividad Medical Center. Use of the Natividad Medical Center Strategic Reserve shall be determined by the Board of Supervisors. Prior to use of the Natividad Medical Center

Strategic Reserve, the Board of Supervisors will seek the recommendation of the NMC Board of Trustees.

D. Source. The General Fund Strategic Reserve shall be financed with one-time only revenues and year-end fund balance in the General Fund. The Natividad Medical Center Strategic Reserve shall be financed with unreserved NMC fund balance. Interest earned on the funds within the NMC Strategic Reserve shall accrue to the NMC Strategic Reserve.

E. Replenishment. Whenever some or all of the monies in the General Fund Strategic Reserve are used and the amount of the General Fund Strategic Reserve is reduced below that required by this Section, the goal shall be to replenish the Strategic Reserve within five years of such use.

F. Annual Report. The County Administrative Officer shall report annually in the Recommended Budget to the Board of Supervisors on the status of complying with the requirements of this Section and recommendations for use of the balance of the General Fund Strategic Reserve in excess of the amount needed to comply with this Section. (Ord. 4260 § 1 (part), 2005)

SECTION 2. This ordinance shall become effective on the thirty-first day following its adoption.

PASSED AND ADOPTED this 12<sup>th</sup> day of April, 2011, by the following vote:

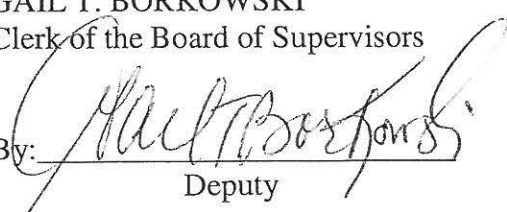
AYES: Supervisors Armenta, Calcagno, Salinas, Parker, Potter  
NOES: None  
ABSENT: None  
ABSTAIN: None



Jane Parker, Chair  
Monterey County Board of Supervisors

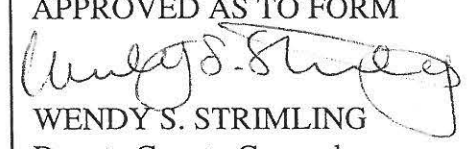
A T T E S T:  
GAIL T. BORKOWSKI  
Clerk of the Board of Supervisors

By:



Deputy

APPROVED AS TO FORM



WENDY S. STRIMLING  
Deputy County Counsel