What amount should we be putting into the Strategic Reserve if we were following our past practice?

The Board’s policy has been to maintain strategic reserves at an amount equal to 8% of General Fund operating revenues. General Fund revenues for FY 17-18 are currently estimated to total $402.6 million, and therefore establishing a Strategic Reserve target of $32.2 million. The current Strategic Reserve fund balance is $30.9 million. In order to maintain the Strategic Reserve funded at 8% of General Fund operating revenues, $1,339,400 would need to be added in FY 2017-18.

Originally, the CEO’s Office estimated that $705,622 would need to be added to the Strategic Reserve to keep it funded at 8% of General Fund Operating Revenues in FY 2017-18. This was based on estimates, prepared in fall of 2016, that GF Operating Revenue would be $394.7 million. Now that Departments have completed their revenue assumptions and loaded their budgets, we have been able to get a more accurate GF Operating Revenue total for FY 2017-18, at $402.6 million.

On March 7, 2017, given the fiscal issues facing the County, the Board directed the CEO to forego increases to the Strategic Reserve in FY 2017-18.