



BOARD OF SUPERVISORS FINANCE AND AUDIT COMMITTEE

**MAY 4, 2021 @ 1:00 PM
ROOM 270
GOOCHLAND COUNTY ADMINISTRATION BUILDING
1800 SANDY HOOK RD., GOOCHLAND, VA 23063**

- I. CALL TO ORDER
- II. APPROVAL OF MINUTES FROM FEBRUARY 2, 2020 (pages 2-3)
- III. FY2021 3rd QUARTER RESULTS (pages 4-6)
- IV. GENERATOR GRANT (pages 4-8)
- V. REFERENDUM (pages 9-12)
- VI. REVIEW OF FUND BALANCE CATEGORIES (pages 13-14)
- VII. OTHER BUSINESS
- VIII. PUBLIC COMMENT
- IX. ADJOURNMENT TO AUGUST 3, 2021

**Goochland County
Finance and Audit Committee Meeting
February 02, 2021 @ 1:00 PM
Administration Building
1800 Sandy Hook Road, Goochland VA 23063
Room 270**

The Goochland County Finance and Audit Committee (FAAC) meeting was held on February 2, 2021 at 1:00 PM in the Room 270. Present were:

District 5 Supervisor, Ken Peterson, Chairman
District 4 Supervisor, Don Sharpe, Vice Chairman
District 2 Supervisor, Neil Spoonhower
District 3, John Lumpkins, Jr.
County Administrator, Kenneth A. Young
Deputy County Administrator, Barbara Horlacher
Assistant Director of Financial Services, Kathleen Smith
Information Technology Director, Randy Buzzard
Social Services Director, Kimberly Jefferson
Social Services Finance Manager, Beverly Long
2 Citizens

Voting members were Mr. Peterson, Mr. Sharpe, Mr. Spoonhower, Mr. Young, and Mrs. Horlacher.

- I. Mr. Peterson called the meeting to order at 1:00 PM.
- II. Mr. Peterson called for the election of officers and turned the meeting over to Mr. Young. Mr. Young opened the floor for nominations. Mr. Sharpe nominated Ken Peterson to be Chairman; the nomination was seconded and passed on a unanimous vote.

Mr. Peterson nominated Mr. Sharpe to be Vice Chairman; the nomination was seconded and passed on unanimous vote.
- III. Mr. Peterson called for approval of the minutes from February 2, 2021. A motion was made to approve the minutes, the motion was seconded, and the motion passed on a unanimous vote.
- IV. Mrs. Horlacher presented the FY2021 2nd quarter results. Very good results so far. Revenues are projected overbudget by \$5.2 million and expenditures are projected to be under budget by \$2.6million. Projected year end surplus \$7.7 million. Debt service is 3% with policy at 10%, unassigned fund balance is 3% favorable to policy, and revenue stabilization is fully funded and currently \$2 million.

Mrs. Horlacher then presented the general fund and CIP budget transfers and adjustments. Discussion continued. Mr. Sharpe made a motion to recommend to the

Board of Supervisors, as a group, the transfers and amendments presented, the motion was seconded and passed on unanimous vote.

V. Mr. Peterson discussed the revenue stabilization and revenue reserve fund concepts and how they affect the County.

- How having policies attract new business
- How AAA credit ratings impact interest
- The pros of adopting these policies and the percentage for Goochland County

Mr. Peterson discussed the pros and cons of state's policy, and a potential tax policy. Mrs. Horlacher discussed meeting with advisors on the Fitch rating and will ask about their advice on these new policies.

VI. Other Business: None

VII. Public Comment: A citizen asked about the percentages and Mr. Peterson explained what they are for and the percentage is based on the next year's budget.

VIII. Mr. Peterson adjourned the meeting to May 4, 2021.



Board of Supervisors

1800 Sandy Hook Road
Goochland, VA 23063

Meeting: 05/04/21 02:00 PM

Department: Finance

Category: Budget Amendments

Prepared By: Barbara Horlacher

Department Head: Barbara Horlacher

**SCHEDULED
ACTION ITEM**

(ID # 3986)

**FY2021 THIRD QUARTER PROJECTIONS, GRANT ACCEPTANCE
AND BUDGET AMENDMENTS**

✓ Vote Record - Action Item 3986							
<input type="checkbox"/> Adopted <input type="checkbox"/> Adopted as Amended <input type="checkbox"/> Defeated <input type="checkbox"/> Tabled <input type="checkbox"/> Withdrawn <input type="checkbox"/> Recommended for Approval <input type="checkbox"/> Recommended for Denial <input type="checkbox"/> Recommended for Approval as Amended <input type="checkbox"/> Deferred <input type="checkbox"/> Consensus of the Board <input type="checkbox"/> Approved <input type="checkbox"/> Tabled by Consensus <input type="checkbox"/> Approved as Amended <input type="checkbox"/> Recusal <input type="checkbox"/> Strike <input type="checkbox"/> No quorum <input type="checkbox"/> Public Hearing Held			Yes/Aye	No/Nay	Abstain	Absent	
	Susan Lascolette			<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
	Ken Peterson			<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
	John Lumpkins			<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
	Neil Spoonhower			<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
	Don Sharpe			<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

Strat Goal 1	Efficient, effective, and transparent government; emphasis on customer service excellence	X
Strat Goal 2	Balanced development that contributes to the welfare of the community and preserves its rural character	
Strat Goal 3	Excellence in Financial Management	X
Strat Goal 4	High Quality Core Services including Education, Public Safety, and Community Health	
Strat Goal 5	Positive Work Environment with a Highly Qualified, Diverse Workforce	

Board Action Requested

After receiving information on the FY2021 Third Quarter Projection and a grant from the Commonwealth of Virginia’s Emergency Shelter Upgrade Assistance Fund, the Board is requested to accept the grant and amend the FY2021 CIP budget as described below.

Summary of Information

The Board’s Operating Budget Policy calls for a quarterly update of general fund revenues and expenditures to be provided to the Board and the public.

Total revenues for FY2021 are estimated to be \$63.2 million, or \$4.0 million over FY2021 budgeted revenues. The increase over budget is primarily due to higher than expected real and personal property tax collections and sales tax.

Operating expenditures are forecast to be \$57.0 million, or \$2.6 million below budget. Overall, operating revenues are projected to exceed operating expenditures by approximately \$6.2 million. After transfers, the total fund balance is projected to decrease \$900,000 to \$37.1 million.

Action Item

Meeting of May 4, 2021

The County recently applied for and received notification of a \$207,061 state funding allocation from the Commonwealth of Virginia's Emergency Shelter Upgrade Assistance Fund. The purpose of the Shelter Upgrade fund is to provide matching funds to localities to install, maintain, or repair infrastructure related to backup energy generation for emergency shelters. The project submitted for the grant totaled \$345,101 and was to provide generators for the Central High School gymnasium and the water and septic systems. The County's match is \$138,040.

Staff recommends the Board accept the grant and appropriate the grant funds along with the local match.

Project	Amount	Totals	Source of Funds
County CIP Fund			
CHS generator grant	\$ 207,061		State grant
CHS generator grant	138,040		Assigned general fund balance
		345,101	
GRAND TOTAL		\$ 345,101	GRAND TOTAL

Motion

I move that the Goochland County Board of Supervisors (accept/reject) the state funding from the Commonwealth of Virginia's Emergency Shelter Upgrade Assistance Fund and (approve and appropriate/approve as amended and appropriate/deny/ defer to *date*) the grant and local funds for the shelter project.

Kenneth A Young

Kenneth A Young, County Administrator 4/28/2021

ATTACHMENTS:

- FY21 3RD QTR (PDF)
- Approval letter Goochland (PDF)

County of Goochland, Virginia
General Fund
FY21 Third Quarter Projections

Year Ended June 30, 2021

	Adopted Budget	Final Budget	Year-End Projected	Variance with Final Budget - Positive (Negative)
REVENUES				
Total revenues	\$ 57,158,477	\$ 59,183,709	\$ 63,152,374	\$ 3,968,665
EXPENDITURES				
Current:				
General government administration	5,847,218	5,912,979	5,712,979	200,000
Judicial administration	1,841,717	1,967,584	1,867,584	100,000
Public safety	13,236,430	13,801,180	13,301,180	500,000
General services	2,788,047	2,961,063	2,961,063	-
Health and welfare	4,114,316	4,367,566	4,067,566	300,000
Education	23,330,000	24,607,796	24,307,796	300,000
Parks and recreation	1,081,687	1,143,335	1,093,335	50,000
Community development	1,918,152	2,159,443	1,859,443	300,000
Debt service:				
Principal retirement	2,413,000	2,413,000	1,524,000	889,000
Interest and other fiscal charges	288,000	288,000	286,702	1,298
Total expenditures	56,858,567	59,621,946	56,981,648	2,640,298
Excess (deficiency) of revenues over (under) expenditures	299,910	(438,237)	6,170,726	6,608,963
OTHER FINANCING SOURCES (USES)				
Transfer to Capital Projects Fund	(2,319,818)	(6,350,116)	(6,350,116)	-
Transfer to Office of Children's Services Fund	(900,000)	(900,000)	(700,000)	(200,000)
Total transfers net	(3,219,818)	(7,250,116)	(7,050,116)	(200,000)
Net change in fund balance	(2,919,908)	(7,688,353)	(879,390)	6,408,963
Fund balance - beginning	-	\$ 37,939,923	\$ 37,939,923	-
Fund balance - ending	\$ (2,919,908)	\$ 30,251,570	\$ 37,060,533	\$ 6,408,963
Nonspendable				
			304,234	
Restricted				
			33,360	
Revenue Stabilization				
			2,007,000	
Assigned				
			15,677,073	
Unassigned				
			19,038,866	
Projected Fund balance - ending			<u>\$ 37,060,533</u>	
FINANCIAL POLICY COMPLIANCE				
Policy			10%	
Actual debt service expenditures to total GF expenditures			3.0%	
Unused capacity (favorable variance)			7.0%	
Target unassigned fund balance			25%	
Actual unassigned fund balance			28.0%	
Exceed target (favorable variance)			3.0%	
Revenue stabilization policy			3%	
Actual revenue stabilization			3%	

Attachment: FY21 3RD QTR (3986 : FY2021 Third Quarter Projection)



COMMONWEALTH OF VIRGINIA

Department of Emergency Management

9711 Farrar Court, Suite 200, North Chesterfield, Virginia 23236
 TEL 804.267.7600 TDD 804.674.2417 FAX 804.272.2046

CURTIS C. BROWN
 State Coordinator of
 Emergency Management

ERIN SUTTON
 Chief Deputy State Coordinator
 of Emergency Management

Mr. Kenneth Young
 County Administrator
 Goochland County
 P.O. Box 10
 Goochland, Virginia 23063

RE: FY2020 Emergency Shelter Upgrade Assistance Fund

Dear Mr. Young:

The Virginia Department of Emergency Management (VDEM) is pleased to announce your locality has been allocated \$207,061 in state funding from the Commonwealth of Virginia's Emergency Shelter Upgrade Assistance Fund for the fiscal year 2020. Appropriation authority for this program is *the Code of Virginia Title §44-146.29:3* also known as the "Shelter Upgrade Fund".

The program allows local governments to secure generators and retrofit shelters for citizens across the Commonwealth. Funds will be formally released to your locality through the Virginia Department of Emergency Management upon its receipt of your online request in VDEM's Grants Management System (<https://vdem.emgrants.com>) you must initiate these steps, described under *Accessing Your Allocation*, **within 30 days from the date of this notification.**

The period of performance for this grant is April 15, 2021 through June 30, 2022. If you require additional time, please contact your grants administrator at least 60 days before the end of the period of performance.

Program Purpose

The purpose of the Shelter Upgrade fund is to provide matching funds to localities to install, maintain, or repair infrastructure related to backup energy generation for emergency shelters, including solar energy generators, and to improve the hazard-specific structural integrity (wind retrofit) of shelter facilities owned by the locality.

Mr. Kenneth Young
 Page 2
 April 23, 2021

Important Award Terms and Conditions

Subrecipients must comply with the requirements in the *Code of Virginia Title §44-146.29:3* Emergency Shelter Upgrade Assistance Fund and [Shelter Upgrade Fund Policy Guidance](#)

Accessing Your Allocation

To access your allocation, you must complete the following steps within 30 days from the date of this notification:

Step 1: Log in to the VDEM's Grants Management System (<https://vdem.emgrants.com>) to upload a line item budget for your proposed project. If you do not have access to the Grants Management Portal visit the homepage at <https://vdem.emgrants.com> and register for an account.

Step 2: Upload your letter of request for release of the Shelter Upgrade funding. This letter should be typed on official letterhead stationery and addressed to VDEM. It can be signed by the Emergency Manager or Coordinator. The content of your letter reiterates the focus of your project and your adherence to the period of performance listed in this letter.

Please initiate the steps described under *Accessing Your Allocation* within 30 days from the date of this notification. If you have any questions regarding this award, please contact Trina Addison in the Grants Office at 804-516-5787 or trina.addison@vdem.virginia.gov.

Sincerely,



Cheryl Adkins
 Chief Financial Officer

CA/tca

cc: Donna Pletch, Chief Regional Coordinator



Board of Supervisors

1800 Sandy Hook Road
Goochland, VA 23063

Meeting: 05/04/21 02:00 PM
Department: County Attorney
Category: Other
Prepared By: Christina Neale
Department Head: Tara A. McGee

**SCHEDULED
RESOLUTION**

(ID # 3990)

**CONSIDERATION OF A RESOLUTION TO PETITION THE
GOOCHLAND COUNTY CIRCUIT COURT REQUESTING A
REFERENDUM ON QUESTIONS OF THE ISSUANCE OF GENERAL
OBLIGATION BONDS TO FUND CERTAIN PUBLIC IMPROVEMENTS**

Strat Goal 1	Efficient, effective, and transparent government; emphasis on customer service excellence	
Strat Goal 2	Balanced development that contributes to the welfare of the community and preserves its rural character	
Strat Goal 3	Excellence in Financial Management	X
Strat Goal 4	High Quality Core Services including Education, Public Safety, and Community Health	X
Strat Goal 5	Positive Work Environment with a Highly Qualified, Diverse Workforce	

Board Action Requested

The Board is requested to adopt the following Resolution to petition the Goochland County Circuit Court requesting a Referendum on questions of the issuance of General Obligation bonds to fund certain public improvements.

Summary of Information

The County’s Capital Improvement Plan (CIP) program includes facility upgrades and new facilities over the next 5-10 years to replace aging infrastructure and accommodate the County’s growth and increased public safety needs. Issuing bonds is an additional means of financing capital projects.

Because the County has a GO (general obligation) credit rating of AAA from two rating agencies, the County generally may obtain lower interest rates on GO bonds than on other bonds. Lower interest rates are beneficial to taxpayers.

Under state law, counties are required to obtain voter approval prior to issuing GO bonds. Voter approval is obtained through the election process, called a referendum. The Resolution sets forth two separate questions that voters would be asked to vote YES or NO on in order for the County to be able to issue GO bonds to finance the capital projects identified in the ballot questions.

The first question pertains to school capital projects including a new Goochland Elementary School (GES) and improvements to the middle and high school facilities, not to exceed \$60 million in total. The second question pertains to public safety projects including a new courthouse that will house Sheriff and other law enforcement operations, and a new fire station, not to exceed \$36 million in total. Goochland voters will have an opportunity to vote either YES or NO on each bond question.

If the referendum passes, the Board of Supervisors and County staff will determine whether GO bond issuance is affordable. Then the Board of Supervisors may determine to adopt a resolution authorizing the actual sale of the bonds, which can only

Resolution Meeting of May 4, 2021
be used to finance projects identified in the ballot questions. All projects in the referendum will be up for discussion and consideration on an annual basis as part of future budgets and CIPs before the Board authorizes any bond sales.

If the referendum fails, it doesn't mean the projects won't be completed, but that the Board could not issue GO bonds to finance the projects. Based on the County's financial policies and management, using GO bonds to finance capital projects is designed not to increase real property tax rates in the County.

The Referendum Resolution directs the County Attorney to file the appropriate documents with the Goochland County Circuit Court to have the two bond referendum questions placed on the November 2, 2021 election ballot.

Draft Motion:

I move that the Board (adopt / adopt as amended / deny / defer to *date*) this Resolution to petition the Goochland County Circuit Court requesting a Referendum on questions of the issuance of General Obligation bonds to fund certain public improvements.


Tara A. McGee, County Attorney 4/28/2021

✓ Vote Record - Resolution 3990							
<input type="checkbox"/> Approved <input type="checkbox"/> Recommended for Approval <input type="checkbox"/> Recommended for Denial <input type="checkbox"/> Deferred <input type="checkbox"/> Denied <input type="checkbox"/> Withdrawn <input type="checkbox"/> Recommended for Approval as Am <input type="checkbox"/> Adopted <input type="checkbox"/> Adopted as Amended <input type="checkbox"/> Defeated <input type="checkbox"/> Consensus of the Board <input type="checkbox"/> Tabled by Consensus <input type="checkbox"/> Approved as Amended <input type="checkbox"/> Send to BOS with Report of Tie Vote			Yes/Aye	No/Nay	Abstain	Absent	
	Susan Lascolette			<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
	Ken Peterson			<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
	John Lumpkins			<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
	Neil Spoonhower			<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
	Don Sharpe			<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

AT A MEETING OF THE BOARD OF SUPERVISORS OF THE COUNTY OF GOOCHLAND, VIRGINIA, HELD ON MAY 4, 2021, IN THE GOOCHLAND COUNTY ADMINISTRATION BUILDING, 1800 SANDY HOOK RD., SUITE 250, GOOCHLAND, VIRGINIA, THE FOLLOWING ACTION WAS TAKEN:

RESOLUTION OF THE GOOCHLAND COUNTY BOARD OF SUPERVISORS TO PETITION THE GOOCHLAND COUNTY CIRCUIT COURT REQUESTING A REFERENDUM ON QUESTIONS OF THE ISSUANCE OF GENERAL OBLIGATION BONDS TO FUND CERTAIN PUBLIC IMPROVEMENTS

WHEREAS, the Board of Supervisors of Goochland County, Virginia (the “Board of Supervisors”) finds that public necessity, general welfare, and good stewardship of the public fiscal resources require the consideration of contracting general obligation bond debt in an aggregate principal amount not to exceed \$96,000,000 to fund needed public capital improvements, all as more particularly described herein; and

WHEREAS, the Board of Supervisors has determined that public necessity, general welfare, and good stewardship of the public fiscal resources require that the election officers of Goochland County, Virginia (the “County”) take the sense of the voters of the County at a special election (the “Special Election”) on the questions of contracting the debt and issuing bonds for the capital improvement projects currently identified as necessary and appropriate to serve the public health, safety, and welfare, together with the projected funding amounts necessary to construct such capital improvement projects, all as set forth in the Referendum Questions (as hereinafter defined) listed below.

NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF SUPERVISORS OF THE COUNTY OF GOOCHLAND, VIRGINIA, AS FOLLOWS:

1. Approval of Referendum Questions. The Board of Supervisors hereby approves the following questions (the “Referendum Questions”) to be presented on the ballot for the Special Election for purposes of taking the sense of the voters of the County on the questions of contracting the debt and issuing bonds for the capital improvement projects described therein:

PUBLIC SCHOOLS

Resolution

Meeting of May 4, 2021

QUESTION 1: Shall the County of Goochland, Virginia (the “County”) contract a debt and issue its General Obligation Public Improvement Bonds in the maximum amount of Sixty Million Dollars (\$60,000,000) to provide funds, together with other available funds, to undertake a program of Capital Improvement Projects for (1) the construction and equipping of a new elementary school, (2) improvements to modernize and upgrade existing middle and high school facilities, and (3) improvements to roads and existing parking lots to improve traffic flow on the roads leading to and from the new elementary school and existing middle and high school facilities, in the County?

COURTS, LAW ENFORCEMENT, AND PUBLIC SAFETY

QUESTION 2: Shall the County of Goochland, Virginia (the “County”) contract a debt and issue its General Obligation Public Improvement Bonds in the maximum amount of Thirty-Six Million Dollars (\$36,000,000) to provide funds, together with other available funds, to undertake a program of Capital Improvement Projects for the construction and equipping of (1) a courthouse, including related law enforcement facilities, and (2) a fire station, in the County?

2. Date of Special Election. The Board of Supervisors hereby finds and determines that, inasmuch as it is the same day as a scheduled General Election, November 2, 2021 would be a particularly convenient and cost-effective day on which to hold the Special Election at which the Referendum Questions shall be presented to the citizens of the County.

3. Authorization to Proceed with Petition and Related Matters. The Board of Supervisors hereby authorizes and directs the County Attorney to promptly prepare and file an appropriate Petition with the Clerk of the Circuit Court of Goochland County requesting that the Circuit Court order the Special Election in which the Referendum Questions shall be placed on the ballot and thereby presented to the citizens of the County, and otherwise in form and substance adequate to place these matters before the citizens of the County on the ballot of the General Election scheduled to be held on November 2, 2021, and further authorizes and directs the County Administrator, the Deputy County Administrator for Administrative Services, and the County Attorney to take all further actions necessary to the presentation of the Referendum Questions to the citizens of the County under applicable law.

4. Effectiveness and Use of Resolution. This Resolution shall be effective immediately upon its adoption. The Board of Supervisors hereby authorizes the County Attorney to attach a certified copy of this Resolution to the Petition described in paragraph 3 above.

Adopted this 4th day May, 2021.

A COPY ATTEST:

Kenneth A. Young, County Administrator
Goochland County Board of Supervisors

FINANCIAL MANAGEMENT POLICIES

FUND BALANCE RESERVE POLICIES

DEFINITIONS

Fund balance is the difference between assets and liabilities reported in governmental funds. It serves as a measure of financial resources available for current operations. The Governmental Accounting Standards Board (GASB) prescribes the classifications for components of fund balance. The County shall report governmental fund balances per GASB definitions. These classifications are listed below in descending order of restrictiveness.

1. Nonspendable – amounts that cannot be spent because they are not in spendable form or are not expected to be converted into cash with the current period or at all.
2. Restricted – amounts subject to usage constraints that have either been externally imposed by creditors, grantors, contributors, or laws or regulations of other governments; or imposed by law through constitutional provisions or enabling legislation.
3. Committed – amounts constrained to use for specific purposes pursuant to formal action of the Board of Supervisors (the Board). The amounts cannot be used for other purposes unless the Board removes or changes the constraints via the same action used to initially commit them.
4. Assigned – amounts intended by the County for use for a specific purpose, but do not meet the criteria to be classified as restricted or committed. The Board can express the intent to assign fund balance. Formal action is not necessary to impose, remove, or modify a constraint in Assigned Fund Balance.
5. Unassigned – amounts that are available for any purpose.

MINIMUM FUND BALANCE

The County's unassigned fund balance at the close of each fiscal year should be at least 20%, with a target of 25%, of the total annual adopted general fund budget of the subsequent fiscal year, plus the non-local portion of the school operating fund budget. The general fund budget includes the transfer to the Schools, Debt Service, and other transfers from the general fund.

In the event of an emergency or other global purpose for the benefit of the County, the County Board may, from time-to-time, appropriate unassigned fund balances that will reduce available fund balances below the 20% policy. In such circumstances, the Board will replenish the available fund balance to the policy level within the next three fiscal years from the date of draw down.

FINANCIAL MANAGEMENT POLICIES

REVENUE STABILIZATION RESERVE

The County will maintain a Revenue Stabilization Reserve of 3% of the total annual adopted general fund budget of the subsequent fiscal year, plus the non-local portion of the school operating fund budget.

The Board may draw down the Revenue Stabilization Reserve only if:

1. Current fiscal year - Third or fourth quarter forecasted general fund revenues, excluding use of prior year fund balance, decline by more than 1.5%; or,
2. Subsequent fiscal year - During the annual budget cycle real estate assessments are forecast to decrease more than 3.0% over the previous year's assessments.

Withdrawals may not exceed half of the balance in the reserve in any one fiscal year and shall be used in combination with spending cuts. In the event of a draw down, the reserve must be replenished to 3% level within the subsequent 3 fiscal years.

ORDER OF EXPENDITURES OF FUNDS

For any expenditure incurred for purposes for which multiple fund balance categories can be used, the County will utilize funds in the following spending order: restricted, committed, assigned, and unassigned.