

GRANT COUNTY, NEW MEXICO

RESOLUTION NO. R-18-50

ADOPTING AN ASSET MANAGEMENT PLAN FOR THE COUNTY OF GRANT; ADOPTING A RESERVE POLICY IDENTIFYING AN ALLOCATION OF RESERVES TO FUND THE ASSET MANAGEMENT PLAN; RATIFYING ACTIONS HERETOFORE TAKEN; REPEALING ALL ACTION INCONSISTENT WITH THIS RESOLUTION; AND AUTHORIZING THE TAKING OF OTHER ACTIONS IN CONNECTION WITH THE IMPLEMENTATION OF THE ASSET MANAGEMENT PLAN AND RESERVE POLICY.

WHEREAS, the Grant County Board of Commissioners is authorized to adopt an Asset Management Plan pursuant to NMSA 1978, §§ 3-1-1 through 3-66-11, as amended; and

WHEREAS, Grant County applied on July 20, 2017 to the New Mexico Finance Authority (the "Finance Authority") for partial financing of the development of an Asset management plan (the "Plan") with a grant from the local government planning fund (the "Fund") established pursuant to Section 6-21-6.4, NMSA 1978, as amended and supplemented; and

WHEREAS, Grant County's request for partial financing of the Plan with a grant from the Fund was approved by the Board of Directors of the Finance Authority on October 2, 2017; and

WHEREAS, pursuant to its rules and policies, the Finance Authority requires that certain action be taken by Grant County prior to executing a Grant Agreement and disbursing the grant amount to Grant County from the Fund; and

WHEREAS, Grant County adopted Resolution R-17-48 on October 19, 2017, committing to the development of and implementation of the Plan, affirming use of the principles outlined in the New Mexico Environmental Center's A.M. Kan Work Manual in the development and implementation of the Plan, and designating an Asset Management Steering Committee and an Authorized Implementing Officer for the Plan; and

WHEREAS, Grant County desires to take all necessary action as required by the Finance Authority in order to be eligible to receive the grant amount from the Fund.

NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF COUNTY COMMISSIONERS GRANT COUNTY, NEW MEXICO:

Section 1. Ratification. All action heretofore taken (not inconsistent with the provisions of this Resolution) by Grant County, its officers and employees, directed toward the development, implementation and financing of the Plan shall be, and the same hereby is, ratified, approved and confirmed.

Section 2. Adoption of the Plan. The Board of County Commissioners of Grant County hereby makes the following findings and adopts the Plan, attached hereto as **Exhibit A**.

A. The Plan properly utilizes the principles outlined in the New Mexico Environmental Center's A.M. Kan Work Manual.

B. The Asset Management Steering Committee and Authorized Implementing Officer have certified that the Plan is appropriate and complete.

Section 3. Adoption of the Reserve Policy. Pursuant to Finance Authority rules and policies, the Board of County Commissioners of Grant County adopts the Reserve Policy, attached hereto as **Exhibit B**, that identifies the allocation of reserves to fund the Plan with an annual target.

Section 4. Amendment of Resolution. This Resolution after its adoption may be amended without receipt by Grant County of any additional consideration, but only with the prior written consent of the Finance Authority.

Section 5. Resolution Irrepealable. After the Grant Agreement has been executed and delivered, this Resolution shall be and remain irrepealable until all obligations of the Grantee under the Grant Agreement shall be fully discharged, as herein provided.

Section 6. Severability Clause. If any section, paragraph, clause or provision of this Resolution shall for any reason be held to be invalid or unenforceable, the invalidity or unenforceability of such section, paragraph, clause or provision shall not affect any of the remaining provisions of this Resolution.

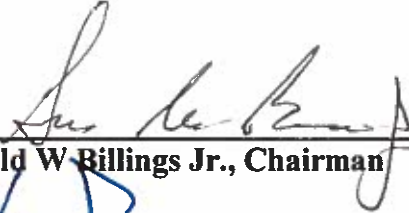
Section 7. Repealer Clause. All bylaws, orders, resolutions, ordinances, or parts thereof, inconsistent herewith are hereby repealed to the extent only of such inconsistency. This repealer shall not be construed to revive any bylaw, order, resolution or ordinance, or part thereof, heretofore repealed.

Section 8. Effective Date. Upon due adoption of this Resolution, it shall be recorded in the book of Grant County kept for that purpose, authenticated by the signatures of the Board of County Commissioners and County Clerk of Grant County, and this Resolution shall be in full force and effect thereafter, in accordance with law; provided, however, that if recording is not required for the effectiveness of this Resolution, this Resolution shall be effective upon adoption of this Resolution by the Board of County Commissioners of Grant County.

[Signatures on Following Page]

PASSED, APPROVED AND ADOPTED This 20th Day of December 2018 in Silver City,
Grant County, New Mexico.

BOARD OF COUNTY COMMISSIONERS GRANT COUNTY, NEW MEXICO:



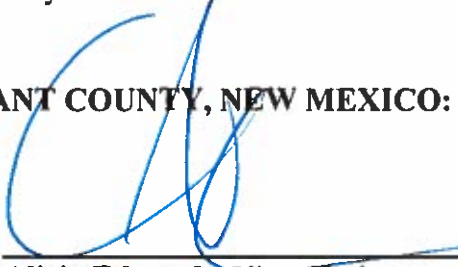
Gerald W Billings Jr., Chairman




Harry Browne, Member



Brett Kasten, Member



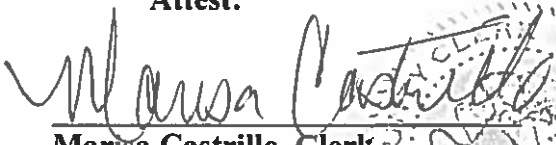
Alicia Edwards, Vice Chair



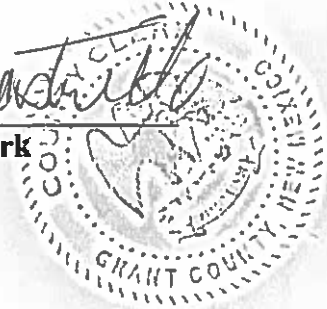
Gabriel Ramos, Member

[SEAL]

Attest:



Marisa Castrillo, Clerk



Grant County, New Mexico

Fund Balance Reserve Policy

It is the policy of the County of Grant to establish reserves and reserve funds for planned future capital expenditures, unexpected or unpredicted events, or extraordinary expenditures which would otherwise cause fluctuations in the operating or capital budgets; to manage reserves, reserve funds and deferred revenue in a responsible manner; and to use reserves, reserve funds and deferred revenue solely for specific purpose previously determined.

The purpose of the policy is to address some of the longer-term funding strategies for Grant County and to ensure good financial and cash management for the ongoing financial stability of the County. This policy will inform decisions relating to long range planning for capital projects in order to minimize both debt servicing cost and significant annual budget impacts by allocating cost to benefiting users over a number of years through the prudent use of reserves and reserve funds.

Grant County desires to establish and maintain reserves to provide for the timely and orderly repair and replacement of short lived assets and to provide accountability of public monies.

In preparation of the annual budget, The County Manager shall reserve from beginning of year unencumbered cash balance a float reserve that the DFA requires. The requirement is 3/12 of budgeted expenditures for the General Fund and 1/12 of budgeted expenditures for the Road Fund. The Grant County Board of Commissioners desires an additional one to three percent of prior year operating expenditures be set aside to serve as a buffer in the event of an economic hardship. Should the county experience an unexpected loss of revenue, an increase in costs, or a rise in funding requirements, this policy ensures Grant County is prepared to continue operating until management and commission has time to react and put a plan of action into place. The budget shall be developed by the County Manager and approved by the Grant County Board of Commissioners in such a manner that the cash reserves shall not be used for expenses without a budget amendment approved by the Grant County Board of Commissioners.

Implementation of cash reserves fund will be executed when possible to follow and adhere to the adopted asset management plan for the County.