

VILLAGE OF NASHVILLE
POLICY RESOLUTION NO. 9-11-03

CONTINGENCY POLICY

WHEREAS, in the interest of prudent fiscal management, the Village Council desires to establish a contingency policy by designating part of the General checking cash balance, and

WHEREAS, the Village Council wishes to give guidance to staff in order to maintain adequate reserves for working capital; cash flow for daily financial needs, unforeseen operating expenditures; revenue declines due to downturns in the economy; and unforeseen natural disaster expenditures;

THEREFORE, BE IT RESOLVED that the council adopts the following Contingency Policy:

1. The Village wishes to set up a savings/limited access checking account (Contingency) which will begin with a balance of \$175,000. The starting balance of this account will be designated out of the General checking.
2. To maintain and increase the Contingency Account the Village will transfer (on a yearly basis) 2 % of the Revenue Sharing income and 2% of the General Taxes income.
3. Any expenditure out of the Contingency Account must be approved by a 2/3 vote of the Village Council and fall under the accepted uses of this account.
4. The following are examples (but not inclusive) of uses **not allowed** for the Contingency Account:
 - a. non-emergency purchase of equipment (police or DPW)
 - b. non-emergency general maintenance / repairs
 - c. entertainment purposes
5. The following are examples (but not exclusive) of accepted uses for the Contingency Account:
 - a. emergency use for monthly village bills due to revenue declines
 - b. health hazard/ public safety issues
6. The dissolving of the Contingency Account must be approved by a 2/3 vote of the Village Council and the remaining amount in the account would be placed into the General checking.