

**KING COUNTY FIRE PROTECTION DISTRICT 34
REDMOND, WASHINGTON**

RESOLUTION NO. 264-11

DEFINING RESERVE FUND POLICIES

WHEREAS, the financial affairs of the District are managed by the Board of Commissioners; and

WHEREAS, pursuant to RCW 52.14.100 the Board of Commissioners has the power to adopt reasonable rules to govern the District and to generally perform all such acts as may be necessary to carry out the objects of the creation of the District; and

WHEREAS, King County Fire District 34 contracts with the City of Redmond for Fire Protection and Life Safety Services under a contract with fixed annual payments; and

WHEREAS, financial planning requires maintaining reserve funds to cover the contractual obligations to the City of Redmond and unforeseen emergencies or obligations;

NOW THEREFORE BE IT RESOLVED that King County Fire protection District No. 34 hereby establishes a Reserve Fund Plan and modifies the plan set forth in Resolution No. 20 as follows:

RESERVE FUND

The Reserve Fund shall have amounts sufficient to cover the following:

1. Insurance contingency:
 - Deductibles
 - Non-insured loss
 - Loss greater than insurance
 - Fines or uninsured litigation costs
 - Provides for unplanned costs in excess of budgeted amounts
 - Provides for unplanned attorney and consultant fees; court costs; penalties and judgments that are in excess or outside of insurance coverage
2. Unplanned loss of revenue:
 - Legislative actions to limit revenue
3. Operational Reserves:
 - The fund subcategory will have an amount sufficient to cover significant loss of property tax based receipts and/or extraordinary expenses that were not planned for in the budget but deemed important as established by the Board of Commissioners.

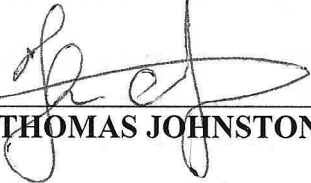
The combined total of the Insurance Contingency, Unplanned Loss of Revenue and Operational Reserves shall be approximately twenty-five percent (25%) of the Annual Operating Budget.

DATED, this 26th day of July 2011.

BOARD OF COMMISSIONERS



PETER LUCARELLI, Chair

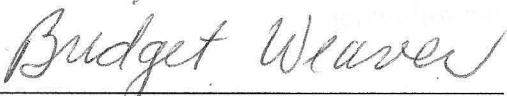


THOMAS JOHNSTON, Commissioner



FRED SHANAFELT, Commissioner

ADOPTED at a regular meeting of the
Board of Commissioners of King County
Fire Protection District No. 34, held on
July 26, 2011



Bridget Weaver, Secretary
Board of Commissioners