

PROPOSED LOCAL LAW NO. -2023

A LOCAL LAW TO CREATE AN OPERATING RESERVES FUND

WHEREAS, it is prudent fiscal practice to create an operating reserves fund to provide for payment of unbudgeted or extraordinary costs, and to fund other fiscally prudent expenditures related to health insurance, labor and risk management or insurance retention;

NOW, THEREFORE

BE IT ENACTED by the County Legislature of the County of Nassau as follows:

Section 1. Chapter III, Title A of the Nassau County Administrative Code is amended to add the following subsection:

§ 3-2.4 **Allocation of surplus funds to an operating reserves fund.** An operating reserves fund, to include the following authorized categories of funds, is hereby established to provide for payment of unbudgeted or extraordinary costs and to fund other fiscally prudent expenditures related to the purposes set forth herein:

- a. A healthcare reserve to provide for payment of unbudgeted or extraordinary costs, and to fund other fiscally prudent expenditures related to health care insurance for existing and retired employees.
- b. A labor reserve to provide for payment of unbudgeted or extraordinary personnel costs, and to fund other fiscally prudent expenditures related to negotiated labor agreements, awards or settlements.
- c. An insurance reserve to provide for the retention of risk to strengthen the County's risk management strategy through high deductible, excess loss property and casualty, public entity liability and other policies. Any funds above the required retention threshold may also be used for the payment of unbudgeted or extraordinary premiums or other related costs including, but not limited to, expert and professional services in connection with the investigation, adjustment or settlement of claims, actions or judgments.

The County may pay into any fund established hereby such amounts resulting from future surpluses as may be provided by budgetary appropriations or as otherwise may be legally appropriated.

The moneys held in any fund established hereby shall be segregated from all other moneys of the County and shall be deposited and secured in a manner consistent with Section 10 of the General Municipal Law. The Treasurer may invest the moneys in any such fund in a manner consistent with Section 11 of the General Municipal Law.

In the event the County determines that any fund established hereby, or any portion thereof, is no longer needed, the moneys remaining in such fund may be transferred to any other reserve fund of the County, only to the extent that the moneys in such discontinued fund shall exceed the sum sufficient to pay all liabilities incurred or accrued against it.

§ 2. Severability. If any clause, sentence, paragraph, subdivision, section, or part of this law or the application thereof to any person, individual, corporation, firm, partnership, entity, or circumstance shall be adjudged by any court of competent jurisdiction to be invalid or unconstitutional, such order or judgment shall not affect, impair, or invalidate the remainder thereof, but shall be confined in its operation to the clause, sentence, paragraph, subdivision, section, or part of this law, or in its application to the person, individual, corporation, firm, partnership, entity, or circumstance directly involved in the controversy in which such order or judgment shall be rendered.

§ 3. It is hereby determined, pursuant to the provisions of the State Environmental Quality Review Act, 8 N.Y.E.C.L. section 0101 et seq. and its implementing regulations, Part 617 of 6 N.Y.C.R.R., and Section 1611 of the County Government Law of Nassau County, that the amendment of the Nassau County Administrative Code in relation to a special revenue fund is a “Type II” Action within the meaning of Section 617.5(c)(26) of 6 N.Y.C.R.R. (“routine or continuing agency administration and management, not including new programs or major reordering of priorities that may affect the environment”), and, accordingly, is of a class of actions which does not have a significant effect on the environment; and no further review is required.

§ 4. This local law shall take effect immediately.