



# PLEASANT VALLEY RECREATION AND PARK DISTRICT

## RESERVE POLICY

Board approved September 2, 2020

The Pleasant Valley Recreation and Park District (the District) shall maintain reserve funds from existing unrestricted funds as designated by the PVRPD Reserve Policy. This policy establishes the procedure and level of reserve funding to achieve the following goals:

- Fund replacement and major repairs for the District's vehicle fleet.
- Fund regular replacement of computer hardware and software for District employees.
- Fund "dry period" to assure funds are available for expenditures incurred from April to December
- Fund capital improvements of District's facilities.
- Maintain minimal operational sustainability in periods of economic uncertainty.

### POLICY

Use of District's Reserves is limited to available "Unrestricted" Funds (not obligated by law, contract or agreement), including donations, interest earned, fees for service or other non-grant earnings. All special use funds will be designated by formal action of the PVRPD Board of Directors.

- VEHICLE FLEET RESERVE  
Vehicle Fleet Reserves will accumulate from existing unrestricted funds, at a rate up to \$15,000 annually. The maximum amount of Vehicle Fleet Reserves will be \$80,000. When the annual accumulation would increase the reserve beyond \$80,000 only the amount required to reach the maximum will be reserved.
- COMPUTER HARDWARE RESERVE  
Computer Hardware Reserves will accumulate from existing unrestricted funds at a rate up to \$8,000 annually. The maximum amount of Computer Hardware Reserves will be \$40,000. When the annual accumulation would increase the Reserve beyond \$40,000 only the amount required to reach the maximum will be reserved.
- DRY PERIOD RESERVE  
Dry Period Reserves are funds that would be set aside for the period of April through December when a minimum or no property tax is received from the County of Ventura. During this time the District sees a drop in revenue while the costs of expenditures outpace the revenue during this period. The Dry Period Reserve will have up to a minimum of 5% of the annual operating budget set aside to be used during the months of November and December when the District needs these funds to meet accounts payables and payroll obligations. A Dry Period Reserve amount will be designated each budget workshop (budget permitting) to ensure the funding in the reserve can sustain the District's operating expenses for the months of November and December.
- PVRPD CAPITAL IMPROVEMENTS RESERVE  
Capital Improvement Fund Reserve is set up to cover non-budgeted capital improvement items and may be used to cover emergency major facility improvements (construction, installation of new doors or windows, replacing doors and windows, roof replacement, HVAC replacement, alarm system



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improvements and parking lot improvements, etc.). The minimum amount of Capital Improvement Reserves should be a minimum of \$500,000. This reserve fund will have a yearly accumulation of \$75,000 with a maximum of \$500,000 balance.

- PVRPD REPAIR/OPERATIONS & ADMINISTRATIVE OPERATIONS RESERVE  
District and Administrative Operations Reserve will accumulate from existing unrestricted funds at a maximum up to \$500,000 annually. The minimum amount of District & Administrative Operations Reserve will be based on the total operations expense stated in the current fiscal year budget which equates to 3 months of Operational Expenses.
- TOTAL ALL RESERVE FUNDS  
The total amount of Reserves designated annually for the Vehicle Fleet, Computer Hardware, Capital Improvement Reserve and PVRPD Repair/Operations & Administrative Operation Reserve is up to \$1,613,000 annually. The amount set aside for Dry Period Reserves is 5% of the annual operating budget. The cumulative accrual cap of \$2,877,597 is for all reserve funds including the Dry Period Reserve.

### USING RESERVE FUNDS

- Vehicle Fleet Reserve  
Vehicle Fleet Reserves will be used exclusively for the non-budgeted purchase of vehicles to support District operations, or to make major repairs to existing vehicles.
- Computer Hardware Reserve  
Computer Hardware Reserves will be used to purchase non-budgeted computer hardware and software in support of District operations, with the intent of maintaining a modern computer fleet for employees.
- Dry Period Reserve  
Funds that are designated to cover the operational costs during the “dry period” between the receipt of property taxes in April and the receipt of the property taxes in December, when expenditures typically far outpace revenues. These funds will be used at the discretion of the Administrative Services Manager and/or General Manager
- Capital Improvement Reserve  
Capital Improvements Reserves shall be limited to non-budgeted and/or emergency costs related to making changes to improve capital assets, increase their useful life, or add to the value of these assets
- District Operations/Repair & Administrative Operations Reserve  
Operational Reserves shall be accrued to ensure 3 months of minimal District and administrative functions at a maximum up to \$500,000 annually. Reserve funds shall be utilized to support:



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- Administrative operational functions, including minimal staffing levels and administrative/office expenses:
- District operations.
- District repairs (distinguished from Capital Improvements which may include painting, caulking of seams, roof repairs, HVAC repairs, patching of walls, etc.).

### MONITORING RESERVE LEVELS

The General Manager, in collaboration with the District's Administrative Services Manager shall perform a reserve status analysis annually, to be provided to the Board of Directors' annual approval of Budget and Reserve Funds. Using this reserve policy model, the minimum amount the District will be setting aside based on the fiscal year 2020-2021 budget is .33% of the total operational budget.

Additional information may be provided to the Board of Directors upon the occurrence of the following events:

- When a major change in conditions threatens the reserve levels established within this policy, or calls into question the effectiveness of the policy;
- Upon General Manager and/or Board request