

Saddle Creek Community Services District

Regular Meeting of March 21, 2017

AGENDA SUPPORTING DATA

7. DISCUSSION AND ACTION ITEMS

- e. Discussion/Action regarding the establishment of designated reserve funds for road improvements, equipment replacement, infrastructure replacement and contingencies

Recommended Motion

Staff Recommends the following motion:

This item is presented for information and Board direction only at this time. The Board has the discretion to act in any manner appropriate related to adoption of this policy, at this meeting.

Background

The Board's approved Management Objectives includes initiatives intended to raise the visibility and public understanding of the District, as well as to effectively and efficiently manage the District finances. The District has the need to accumulate a variety of funding reserves to ensure that we always have enough money in place, at the time needed, to efficiently deliver our services, and charge the appropriate fees to existing and new customers to ensure that all ratepayers benefit evenly from the District services.

The District's Measure A, on the ballot for May 2, 2017 contains funding for road improvements in perpetuity, as well as funding for reserves to replace costly infrastructure and equipment. As part of our commitment to transparency and accountability with regard to expenditure of public (tax) funds, the establishment of reserve funds will assist the public in understanding how their tax dollars flow into community improvements now and in the future.

State law provides requirements for the establishment of reserves, and the California Special Districts Association produces a Reserve Guideline Manual for the development of comprehensive reserve policies and programs. The attached draft policy is developed in compliance with the law and CSDA guidelines.

The reserve policy establishes a minimum and maximum funding amount for most of the reserve funds, which can be accumulated over time to meet the District goals.