



Greater Vallejo Recreation District

GVRD promotes wellness and healthy lifestyles
by providing safe parks and innovative and fun
recreation programs for all residents.

BOARD OF DIRECTORS

Rizal Aliga
Robert Briseño
Thomas Judt
Tom Starnes

GENERAL MANAGER

Gabe Lanusse

Budget and Finance Committee Agenda

Directors: Briseño & Starnes

Tuesday, July 16, 2024

1:00 p.m.

**Administrative Office – Board Room
401 Amador Street**

This committee shall work with the General Manager and other staff of the District on the annual budget(s), projections, and other financial matters. This committee shall review the General Manager and Directors' expenses, annual audit, and annual financial statement before publication. The committee will ensure that investment policies are followed and that funds are invested in a prudent manner with adequate protections to prevent misuse.

1. Public Comment

Members of the public may speak on any item within the jurisdiction of the Committee. Each speaker is limited to 3 minutes and a spokesperson for an organization is limited to 5 minutes.

2. Review Final Budget (No Changes from Preliminary Budget)

3. Discuss Policy 3030- Budget Process and Reserve Fund

- Current requirements
- Propose updating current policy

4. Discuss changes in Finance personnel

5. Discuss staff focus moving forward.

6. Meeting Adjourn

POLICY MANUAL

POLICY TITLE: Budget Process and Reserve Fund
POLICY NUMBER: 3030

The budgeting process shall be thought out and practical, and result in a budget that supports the District's Strategic Action Plan, best serves the residents of the District and complies with state law.

The preparation of the budget is a planning process allowing for adequate participation of staff, Board members, and the public. It includes review sessions, evaluation of programs, short range and long range capital expenditure needs, and a review of the District's overall financial picture. The budget year is from July 1 to June 30.

Reserves

Based on the Greater Vallejo Recreation District's experience with unreliable revenue sources from the State, Solano County, and the City of Vallejo, and expenses arising from sudden and unforeseen circumstances, the Board of Directors desires a budget reserve to be established to assist in maintaining the financial stability of the District. The goal set by the Board of Directors is 15% of general fund revenues.

Purpose of Reserve Policy

An adequate reserve fund set aside for various legitimate purposes is essential to the successful and stable, short and long- term operation of the Greater Vallejo Recreation District.

Adequate reserves for District operations ensure that customers can experience and enjoy the services from parks and recreation. Adequate reserves and proper fiscal oversight ensure that the District will have sufficient funding available to meet its operating, capital debt obligations, as well as any unfunded mandates.

GVRD manages its operation in a manner that allows the District to provide funding for costs consistent with its annually updated multiyear plan. This allows GVRD to avoid significant deficit fluctuations due to changes in cash flow requirements. The ability of the Greater Vallejo Recreation District to maintain reserve funds is a critical factor in providing reliable service and ensuring overall financial strength.

Annually during the budget adoption process, the Greater Vallejo Recreation District Board reviews and approves the appropriate levels and uses for reserve funds based upon the needs of the district.

Operating Reserve Fund

The Operating Reserve will vary over time. This reserve is considered a working cash requirement. It bridges the gap between the time expenses are paid and the time tax revenues are collected.

Capital Reserve Fund

The purpose of this fund is to establish funds that are intended for projects not considered routine maintenance. The funds come from grants, other agencies or from funds that were budgeted on capital projects in prior years but unspent. This fund is spent directly on capital projects and is not held in reserve for some other purpose.

The Capital Reserve Fund is drawn down annually as planned capital expenditures amounts are made. At the end of each fiscal year, any unspent budgeted capital funds will be reallocated to this fund and may be used in the following year's capital budget.

Unrestricted Reserves

The purpose of Unrestricted Reserve also termed "General Reserve" is for unforeseen events, extraordinary expenses or a loss of revenue. This fund should maintain a minimum of 15% of our annual operating expenses.

Summary

The reserve fund policy states that designated reserves will be maintained to allow for funding of the District's operating and capital obligations, as well as funding for unforeseen events. Reserves will be established, replenished, and used only in a manner, which allows the District to fund costs consistent with the Multi Year Financial Plan and Strategic Action Plan and other Board adopted actions. The District's reserve fund policy shall be periodically reviewed and adjusted to meet the needs of the District.