

Key Peninsula Metropolitan Park District
Db a Key Pen Parks



Resolution No R 2024-07

A RESOLUTION OF THE BOARD OF PARK COMMISSIONERS OF THE KEY PENINSULA METROPOLITAN PARK DISTRICT ESTABLISHING A FISCAL RESERVE POLICY

WHEREAS, during the July 8, 2024, regular meeting of the Board of Park Commissioners, the creation of a fiscal reserve policy was discussed; and

WHEREAS, the Board of Park Commissioners recognizes the importance of sound financial planning and clear policies for financial management; and

WHEREAS, the Board of Park Commissioners recognizes that it is essential for the District to maintain adequate levels of fund balance to mitigate current and future risks (e.g. revenue shortfalls and unanticipated expenditures); and

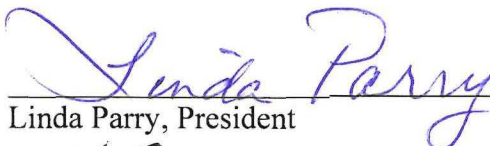
WHEREAS, the Board of Park Commissioners recognize the value of reserve funds in order to mitigate unforeseen circumstances and opportunities.

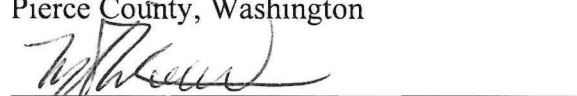
NOW THEREFORE, BE IT RESOLVED by the Board of Park Commissioners of Key Pen Parks hereby adopts the Fiscal Reserve Policy attached hereto as Exhibit "A" and incorporated herein by this reference as the Fiscal Reserve Policy for the Key Peninsula Metropolitan Park District.


PASSED AND ADOPTED by the Board of Park Commissioners of Key Pen Parks at a Regular Meeting held at Key Peninsula Fire District Station 47, 1921 Key Peninsula Hwy NW, Home WA, held this 9th day of September 2024.


Attest:

Key Pen Parks
Board of Park Commissioners
Pierce County, Washington


Linda Parry, President


Mark Michel, Vice-President


Kip Clinton, Clerk


Shawn Jensen, Member-at-Large



Edward Robison, Member-at-Large


Ayes: Parry, Jensen, Michel, Robison, Clinton

Absent:

Nays:

Abstain:


Kip Clinton, Clerk of the Board


Tracey Perkosky, Executive Director



Key Peninsula Metropolitan Park District

Fiscal Reserve Policy

Policy

Adequate fund balance and reserve levels are a necessary component of the Key Peninsula Metropolitan Park District's financial strategy, and a key measurement in external agencies' measurement of the District's financial strength.

Maintenance of fund balance for accounting funds assures adequate resources for cash flow and mitigates short term effects of unexpected revenue shortfalls.

Prudent use of reserve funds enables the District to defray future costs and take advantage of matching funds and beneficial opportunities. Reserve funds provide the District with the ability to exercise flexible financial planning in developing future capital projects.

Reserve funds are necessary to enable the District to deal with unforeseen emergencies or changes in economic conditions.

The District should establish minimum fund balance targets based on cash flow requirements.

Minimum Fund balances should be attained and maintained through expenditure management, revenue management and contributions from General Fund/Fund Balance.

All expenditures drawn from unrestricted reserve accounts require Board of Park Commissioner approval, unless previously appropriated by the Board of Park Commissioners in the District's annual budget.

The District should maintain reserves for the replacement of vehicles and capital assets.

Additional reserve designations may be created by the Board of Park Commissioners to account for future known expenses, special projects, or other specific purposes.

All reserves will be presented in the annual budget.

Unrestricted reserves should be utilized for one-time expenditures – therefore avoiding using them to fund routine ongoing operating expenses unless approved for cash flow purposes and are replaced

Exhibit "A"

within 4 months from an allocation of the District's property tax levy. The Board of Park Commissioners may also dissolve or move any funds to a different project with a majority vote.

Procedure

Through the annual budgeting process, the following amounts will be placed in these accounts:

308 91 00 001 Unrestricted Operating Reserve: First 4 months of operating expenditures from the previous fiscal year actual budget expenditures.

308 91 00 002 Unrestricted Vehicle Replacement Reserve: \$20,000 annually to a maximum of \$100,000

308 91 00 003 Unrestricted Water/Septic Reserve: \$50,000

308 91 00 004 Unrestricted Capital Reserve: \$50,000 annually to a maximum of \$500,000

308 91 00 005 Unrestricted Land Acquisition Reserve: \$200,000 annually to a maximum of \$500,000

Usage of unrestricted reserve funds requires Board of Park Commissioner approval.