



RESOLUTION NO. 2019-04-17-023

ADOPTION OF THE REVISED LANE TRANSIT DISTRICT FUND BALANCE AND BUDGETARY RESERVE POLICY

WHEREAS, the Government Finance Officers Association (GFOA) issues best practice advisories for government finance;

WHEREAS, GFOA has long recommended that governments establish a formal policy on the level of unrestricted fund balance maintained in the general fund;

WHEREAS, GFOA recognizes that the adequacy of fund balance in the general fund is individual to each government and that governments should take into account their own unique circumstances in determining an appropriate amount;

WHEREAS, GFOA recommends, however, at a minimum and regardless of size, that governments maintain an amount equal to no less than two months of regular general fund operating expenditures of fund balance in their general fund;

WHEREAS, on August 17, 2016, the Board of Directors approved updating the Fund Balance and Budgetary Reserve Policy to reflect GFOA's recommendations;

WHEREAS, the Fund Balance and Budgetary Reserve Policy is reviewed and revised periodically with the last revision noted on May 16, 2018;

WHEREAS, on April 3, 2019, the Budget Committee met to review the proposed revisions to the Fund Balance and Budgetary Reserve Policy:

- Requiring that the two-to-six month unrestricted fund balance (aka "operating reserve") be maintained within each "operating fund" rather than all in the "General Fund." This change results in the same total unrestricted fund balance, but spreads the balance across the four operating funds (General Fund, Medicaid Fund, Specialized Services Fund, and Point2point Fund). By housing the operating reserves within each fund, the likelihood of impacting multiple funds, should an unanticipated event happen, only one fund is reduced.
- Updating the reference to the "Capital Improvements Program," which was renamed the "Community Investment Plan" during the last approval cycle for this Plan in November 2018.
- Updated the reference to the Oregon Administrative Rules (OAR) to reflect the current location reference, which is the result of the OAR being renumbered.
- Removed the specific appropriated budgetary reserve requirements. As the Budget Committee makes all appropriations, it is not necessary or prudent to specify appropriated amounts for some line items within the budget as this restricts the Budget Committee's ability to appropriate based on the facts and circumstances existing in a given year and to take into account changing risks and opportunities.

WHEREAS, the Budget Committee approved a recommendation to the Board of Directors to approve the proposed revisions.



NOW, THEREFORE, BE IT RESOLVED that the LTD Board of Directors, approves a resolution as follows:

- Approving the revised Fund Balance and Budgetary Reserve Policy.

ADOPTED BY THE LANE TRANSIT DISTRICT BOARD OF DIRECTORS ON THIS 17th DAY OF APRIL, 2019.

A handwritten signature in cursive script, appearing to read 'Carl Yeh', is written above a horizontal line.

Board President, Carl Yeh