



RESOLUTION NO. 2022-02-16-010

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

WHEREAS, the District has adopted a strategic business plan (SBP) that identifies “community value” as a strategic focus area and the creation of a sustainable services stability fund as one of the tactics to achieve that SBP objective;

WHEREAS, it is not possible to predict, identify, or quantify the financial impacts of future financial threats;

WHEREAS, the District can mitigate the impacts of these negative financial threats to the services provided to our community by creating reserves for both known future expenditures, probable revenue shortfalls as well as unknowable threats;

WHEREAS, the Reserve Policy (“Policy”) dictates the appropriation of reserves maintained for the ongoing operation of Lane Transit District (“District”) should adverse unanticipated events jeopardize continuation of transit services;

WHEREAS, the Policy is reviewed routinely;

WHEREAS, the Policy was last modified at the July 15, 2020, Board meeting; and,

WHEREAS, the District’s review of the Policy makes the following changes:

Establishes 5 types of reserves:

1. Sustainable Service Reserve
2. STIF Sustainable Service Reserve
3. Cash Flow Reserve
4. Capital Reserve
5. Board Designated Reserves

Each of the 5 reserves are identifies the reserves:

- **Purpose:** The reason the reserve exists
- **Type:** Restricted for use without Board action or Unrestricted for use requiring no Board action
- **Reserve minimum:** The minimum reserve balance to be maintained
- **Target balance:** The target reserve balance
- **Allowable use restrictions:** Restrictions on what the reserve may be used for
- **Replenishment requirements:** Requirements to replenish the reserve fund

The policy also changes the review to be routinely rather than annually and assigns the Board of Directors, rather than the Budget Committee as responsible for maintenance of the policy.

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

- Approving the revised Reserve Policy.

ADOPTED BY THE LANE TRANSIT DISTRICT BOARD OF DIRECTORS ON THIS 16TH DAY OF FEBRUARY, 2022.

Caitlin Vargas

Board President, Caitlin Vargas