



Proposed Measure Z Reserve Policy

Finance Department

Budget Engagement Commission
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BACKGROUND

1. Measure Z:
 - A. One-cent Transaction and Use Tax
 - B. Approved by voters in November 2016
 - C. In place for 20 years (April 2017 - March 2036)
 - D. To restore critical General Fund needs:
 - i. First responder staffing and vehicles
 - ii. Road and tree maintenance
 - iii. Building repair and maintenance



DISCUSSION

1. Fund Balance Reserves may be necessary due to the following risks:
 - A. Economic Downturn = insufficient revenues to fund previously approved items
 - B. Insufficient revenue growth to fund the increase in previously approved ongoing, escalating expenditures



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DISCUSSION

2. The proposed Measure Z Reserve Policy includes:
 - A. 15% minimum Contingency Reserve
 - B. Requirements for utilizing reserves
 - C. Requirements for a Replenishment Plan when Reserves are Utilized
 - D. Process for A Wind-Down Plan
 - E. Requirements to utilize Surplus Reserves



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