

**ATTACHMENT ONE
REVISED RESERVE POLICY SUMMARY**

General Fund				
Reserve Type	Recommended Funding Level	Approval For Use	Replenishment Language	Use of Funds
General Fund	14% of 3yr average audited revenue			
1.) Emergency Reserve	8% of 14%	Mayor - 2/3 Council	No	Public emergency such as natural disaster
2.) Stability Reserve	6% of 14%	Mayor - Council Majority	Yes	Unexpected revenue shortfalls or unanticipated critical expenditures

Water Fund				
Reserve Type	Recommended Funding Level	Approval For Use	Replenishment Language	Use of Funds
Emergency Operating	70 days of operating costs less contingency, water purchases, debt service	Mayor - Council Majority	Yes	Event of a catastrophe that prevents the utility from operating in its normal course of business
Emergency Capital	\$5.0 million annually	COO or CFO	No	Emergency capital needs...repair or replace existing assets
Rate Stabilization	5% minimum of prior year total operating revenue, may be higher under policy	Department Head Recommendation to CFO	Yes	Mitigate significant fluctuations in the water rates for the system operations and maintain stable debt service coverage ratios
Secondary Purchase	6% of current year water purchase budget	Mayor - Council Majority	Yes	Purchase additional water in case of a major drought or unforeseen emergency that diminishes normal supply

Wastewater Fund				
Reserve Type	Recommended Funding Level	Approval For Use	Replenishment Language	Use of Funds
Emergency Operating	70 days of operating costs	Mayor - Council Majority	Yes	Event of a catastrophe that prevents the utility from operating in its normal course of business
Emergency Capital	\$5.0 million annually	COO or CFO	No	Emergency capital needs...repair or replace existing assets
Rate Stabilization	5% minimum of prior year total operating revenue, may be higher under policy	Department Head Recommendation to CFO	Yes	Mitigate significant fluctuations in the waste water rates for the system operations and maintain stable debt service coverage ratios

Refuse Disposal & Recycling Funds				
Reserve Type	Recommended Funding Level	Approval For Use	Replenishment Language	Use of Funds
Operating Reserve	15% of annual operating revenue	COO or CFO	Yes	Fund unanticipated emergency expenditures, one-time high priority programs, or revenue shortfalls due to an unexpected economic slowdown or recession

Development Services Fund				
Reserve Type	Recommended Funding Level	Approval For Use	Replenishment Language	Use of Funds
Operating Reserve	15% of prior year operating expense then 60 days target	COO or CFO	Yes	Provide financial stability during economic cycles ...when significant natural or manmade disasters occur

Golf Course Fund				
Reserve Type	Recommended Funding Level	Approval For Use	Replenishment Language	Use of Funds
Operating Reserve	12% of 3yr average audited revenue	Mayor - Council Majority	Yes	N/A