

RESOLUTION NO. 2017-01

**RESOLUTION OF THE BOARD OF DIRECTORS OF
MARINWOOD COMMUNITY SERVICES DISTRICT**

ESTABLISHING FINANCIAL RESERVE POLICY

WHEREAS, (1) the Marinwood Community Services District strives to ensure that it will be able to meet its operational, capital and debt service obligations, and

WHEREAS, (2) the District strives to reduce the need for borrowing for capital improvements, maintenance and equipment purchases, and

WHEREAS, (3) prudent management of the District calls to identify the amounts needed for each purpose, to establish and periodic review of funding levels for each purpose, and

WHEREAS, (4) the Board of Directors has previously determined the need to establish a restricted account to fund its Other Post-Employment Benefits liabilities, therefore be it

RESOLVED, (a) The Board of Directors establishes the Marinwood Community Services District Reserve Policy as follows:

1. Legally Restricted Reserves

Pensions: The District is legally obligated to pay an Annually Required Contribution to CalPERS for employee pensions.

Other Post-Employment Benefits: The District at its discretion may periodically set aside reserves in an irrevocable trust to cover employee post-employment healthcare benefits.

Debt Service Reserves: When the District must incur debt for substantial capital projects, debt covenants requiring reserves to be held by the lender for the duration of the loan are likely to ensure timely repayment of the loan.

2. Board Restricted Reserves

Capital Reserve Funds: In public meetings during budget review and approval process, and based on annual staff review of capital needs for each District function, the Board of Directors may approve setting aside in a reserve account sufficient funds each year to

eliminate or reduce the need for financing of anticipated required maintenance, replacement or acquisition of capital assets.

Passed and adopted at a regular meeting of the Board of Directors of Marinwood Community Services District this 14th Day of February, 2017 by the following vote:

AYES: Kleinman-Green, Naylor, Perry, Schwartz, Shea

NOES:

ABSENT:

ABSTAIN:

s/ Bill Shea
Bill Shea
President, Board of Directors

Attest:

s/ Carolyn Sullivan
Carolyn Sullivan
Secretary to the Board of Directors