

## RESOLUTION 2017-04

### RESOLUTION OF THE BOARD OF DIRECTORS OF BIG BEAR AIRPORT DISTRICT REPEALING RESOLUTION NO. 2011-03, ADOPTING AN UPDATED RESERVE POLICY AND TARGET RESERVE BALANCES, AND SETTING SUCH RESERVE BALANCES FOR FISCAL YEAR 2017-2018 AND BEYOND

WHEREAS, the Big Bear Airport District ("District") manages and operates an Airport for the benefit of the region and District's residents; and

WHEREAS, the Legislature of the State of California has declared that prudent management of public funds by local officials and local agencies is an issue of statewide concern and has issued specific guidelines and adopted California Government Codes to ensure that fiduciary responsibilities by local agencies are adhered to; and

WHEREAS, the California Special District Association has issued a publication *Special District Reserve Guidelines: A Guide to Developing a Prudent Reserve*; and

WHEREAS, the Governmental Accounting Standards Board (GASB), in issuing GASB Statement No. 54, has stated that fund balance information is of central importance to the credit reviews performed by municipal bond analysts, and also is used by taxpayer associations, research organizations, oversight bodies, state, county and local legislators and their staffs and the general public to ensure and enhance public transparency of funds; and

WHEREAS, as fiduciaries of public funds, the Board of Directors of Big Bear Airport District ("Board") seeks to meet and exceed such fiduciary standards, and to implement GASB Statement No. 54 in order to enhance how fund balance information is documented, managed, reported and to improve its financial usefulness in making decisions; and

WHEREAS, the prudent management of the District requires that reserve funds be established and maintained to fund scheduled and unscheduled expenses, to identify the amount of funds specifically dedicated for each purpose and to provide periodic review of the reserve funding levels to ensure such levels are and will be adequate to meet the projected needs of the District; and

WHEREAS, the District maintains funds in committed reserve accounts for such purposes as emergency situations, operating expenses, and local funds to match Federal Grant projects. Additionally, the District maintains funds in assigned reserve accounts for capital improvements and public outreach through its Air Fair; and

WHEREAS, in order to protect its operations, specifically including but not limited to

construction contingencies and emergency operations, , a public agency is authorized to create various funds and accounts with specific purposes and commit reserve funds to such accounts; and

**WHEREAS**, in 2011, the Board adopted Resolution No. 2011-03 creating designated reserve accounts pursuant to the requirements set out above and set levels for such reserves; and

**WHEREAS**, the District's auditors have recommended that such policy and reserve balances now be reviewed and updated; and

**NOW, THEREFORE BE IT RESOLVED** by the Big Bear Airport District Board of Directors adopts the following Reserve Policy:

### **BIG BEAR AIRPORT DISTRICT RESERVE POLICY**

1. The District will maintain a reserve of cash and/or Investments for the purposes of meeting its Emergency Reserve (OM-1), Operating Reserve (OM-2), and Federal Grant Match Reserve (OM-3), CIP Reserves (CIP-1, CIP-2) and Public Outreach – Air Fair Reserve (PO-1) (see Figure 1A).
2. The District will hold reserve funds as authorized by the District's Investment Policy, and in accordance with state and federal laws. The District may invest reserve funds in liquid money market accounts such as the Local Agency Investment Fund (LAIF), so that the funds are immediately available for District use if needed. Any investments shall follow the criteria set in the District's Investment Policy.
3. The District reserves may be examined and adjusted each year during budget preparation at the conclusion of each fiscal year, according to reserve fund prioritization. At least annually, the Board may review all reserve accounts and make a determination regarding the continuing need for and purpose of the reserve funds, the appropriate levels of accumulation and the conditions precedent to utilization of the reserve funds.
4. When additional reserve funds are to be established, they will be established by Board resolution, which should include:
  - a. A statement of the purpose for which the reserve is created;
  - b. To the extent possible, specification of minimum and maximum parameters for the accumulation of the monies in the reserve fund; and
  - c. Specification of the conditions under which reserve funds shall be expended or transferred, consistent with Board directives.
5. This amended Big Bear Airport District Reserve Policy shall become effective on the

date of its adoption and District staff is hereby directed to take all actions necessary to implement this policy and to maintain the designated reserve funds.

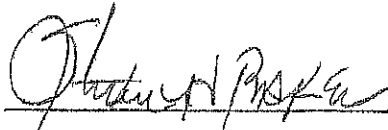
PASSED AND ADOPTED this 28<sup>th</sup> day of June, 2017 by the following vote:

AYES: CASTILLO, GODDARD, KELLY, KRAUSE

NOES: NONE

ABSENT: BAKER

ABSTAIN: NONE



Steven H. Baker, Board President  
Big Bear Airport District

The undersigned hereby certifies that she is the Board Secretary of the Big Bear Airport District, a California public entity and that the foregoing is a true and correct record of a resolution duly adopted by the Big Bear Airport District Board of Directors, on this 28<sup>th</sup> day of June, 2017.

IN WITNESS WHEREOF, I have executed my name as Secretary on this 28<sup>th</sup> day of June, 2017.



Diane Cartwright, Board Secretary  
Big Bear Airport District