



Central Marin Police Authority

Staff Report

TO: Central Marin Police Council

FROM: Management Committee

DATE: June 6, 2014

RE: **ADOPTION OF RESOLUTION NO.04/14 - CENTRAL MARIN POLICE AUTHORITY
ESTABLISHING MINIMUM BALANCES FOR THE CENTRAL MARIN POLICE AUTHORITY'S
OPERATING RESERVE FUNDS**

ACTION REQUESTED

That the Council hear the staff report, take comment, and adopt Resolution No. 04/14 establishing minimum balances for the Central Marin Police Authority Reserve Funds.

REFERENCE

Resolution No. 04/14.

FISCAL IMPACT

If approved, the Town of San Anselmo would begin making \$75,000 contributions to the Reserve Fund in FY 14/15.

BACKGROUND

At the time of consolidation, the Town of San Anselmo, the Town of Corte Madera, and the City of Larkspur discussed having a reserve policy for the Authority. It was agreed upon that staff would evaluate and provide a recommendation for council for FY 14/15.

Under Twin Cities Police Council Resolution No. 03/09, the Twin Cities Police Authority had a reserve policy that set forth a minimum dry period reserve of \$750,000 or ten percent (10%) of the Authority's annual adopted budget, whichever is greater.

The California Municipal Finance Officers Association recommends that public agencies attempt to maintain at least a ten percent (10%) unrestricted reserve against annual expenditures. If adopted by the Central Marin Police Authority Council, the City of Larkspur, the Town of San Anselmo, and the Town of Corte Madera would each be responsible for one-third of the dry period reserve. The dry period reserve would be ten percent (10%) of the projected Central Marin Police Authority fiscal year 2014-2015 budget of 10,800,000. This would be approximately \$360,000 per entity.

ITEM VI. A



Central Marin Police Authority

Staff Report

Currently the Central Marin Police Authority has \$750,000 in its Reserve Fund. This money was carried over from the Twin Cities Police Authority, which was funded equally by the City of Larkspur and the Town

of Corte Madera. Therefore, the City of Larkspur and the Town of Corte Madera would have a surplus in the projected reserve account and would not need to contribute this fiscal year. If this methodology is accepted, the Town of San Anselmo would contribute their share of approximately \$360,000. It is recommended that this contribution be spread over a period of years at \$75,000 annually. The first contribution would be paid during FY 14-15 and would continue until the reserve minimum is met.

Staff has projected this payment of \$75,000 in the Town of San Anselmo's 2014/2015 annual contribution. San Anselmo's share FY 14/15 is \$3,878,697, compared to \$3,897,433 in FY 13/14.

STAFF RECOMMENDATION

Staff recommends Council adopt Resolution No. 04/14.

Respectfully submitted,

Daniel Schwarz
Management Committee

Debra Stutsman
Management Committee

David Bracken
Management Committee

Attachments:

1. Resolution No. 04/14

**CENTRAL MARIN POLICE AUTHORITY
RESOLUTION NO. 04/14**

**A RESOLUTION OF THE CENTRAL MARIN POLICE COUNCIL OF THE CENTRAL
MARIN POLICE AUTHORITY ESTABLISHING MINIMUM BALANCES FOR THE
CENTRAL MARIN POLICE AUTHORITY RESERVE FUND**

WHEREAS, at the time of consolidation, the Town of San Anselmo, the Town of Corte Madera, and the City of Larkspur discussed having a reserve policy for the Authority. It was agreed upon that staff would evaluate and provide a recommendation for council for FY 14/15; and

WHEREAS, the Central Marin Police Council has established an unrestricted reserve that provides fiscal stability to the organization during cash flow fluctuations and against unanticipated changes in revenues and expenditures; and

WHEREAS, under Twin Cities Police Council Resolution No. 03/09, the Twin Cities Police Authority had a reserve policy that set forth a minimum dry period reserve of \$750,000 or ten percent (10%) of the Authority's annual adopted budget, whichever is greater; and

WHEREAS, the California Municipal Finance Officers Association recommends that public agencies attempt to maintain at least a ten percent (10%) unrestricted reserve against annual expenditures; and

WHEREAS, the City of Larkspur, the Town of San Anselmo, and the Town of Corte Madera are each be responsible for one-third of the dry period reserve. The dry period reserve would be ten percent (10%) of the projected Central Marin Police Authority fiscal year 2014-2015 budget of 10,800,000. This would be approximately \$360,000 per entity; and

WHEREAS, the Central Marin Police Authority currently has \$750,000 in its Reserve Fund. This money was carried over from the Twin Cities Police Authority, and was funded equally by the City of Larkspur and the Town of Corte Madera. Therefore, the City of Larkspur and the Town of Corte Madera have a surplus in the projected reserve account and would not need to contribute this fiscal year; and

WHEREAS, the Town of San Anselmo desires to contribute their share of approximately \$360,000. This contribution will be spread over a period of years at \$75,000 annually. The first contribution will be paid during FY 14-15 and would continue until the reserve minimum is met; and

WHEREAS, the \$75,000 contribution to the Reserve Fund is reflected in the Town of San Anselmo's 2014/2015 annual contribution to the Authority. San Anselmo's share FY 14/15 is \$3,878,697, compared to \$3,897,433 in FY 13/14; and

NOW, THEREFORE, IT IS HEREBY RESOLVED, that the Central Marin Police Council authorizes the establishment of the new reserve structure and payments to the Reserve Fund for the Central Marin Police Authority; and

IT IS HEREBY CERTIFIED, that the forgoing resolution was duly introduced and adopted at a public meeting of the Central Marin Police Council of the Central Marin Police Authority held on the 19th day of June 2014 by the following vote, to wit:

AYES: COUNCILMEMBERS:
NOES: COUNCILMEMBERS:
ABSENT: COUNCILMEMBERS:
ABSTAIN: COUNCILMEMBERS:
ATTEST:

Zaneta Feleo, Authority Clerk
Central Marin Police Authority

Tom McInerney, Council Chair
Central Marin Police Authority