

Reserve Funds Strategy

For Discussion

Purpose: The following will serve as an outline for the District investment in Reserves for operating, emergency relief, and strategic capital investments.

Strategy: Accumulate fund reserves to plan for the following:

- Three months of District Operations
 - a. For example, for FY23 the total would be \$305,338
- Capital investments (outside of annual applications) that include large scale projects from Big Sky Capital Improvement Plan (in development) requiring setting aside funds for multiple years.
 - a. Goal: Incremental growth of \$1,000,000 annually.
- Emergency Funds that address community relief needs as outlined in a Board Resolution
 - a. For example, Big Sky Relief efforts addressing COVID-19 impacts
 - b. Goal \$2,500,000 (based on \$2,150,000 invested in Big Sky Relief)

Recommendation: Grow reserves as outlined to prepare for the Operational needs, Community Emergencies, and long-term capital investments (potentially in conjunction with bonding)

	FY24 Budget	FY25 Budget	FY26 Budget
Operating Reserve Goal	329,017	340,785	352,712
Emergency Reserve Goal	1,500,000	2,500,000	2,500,000
Capital Reserve Goal	3,000,000	4,000,000	5,000,000
Reserve Goal	\$4,829,017	\$6,840,785	\$7,852,712