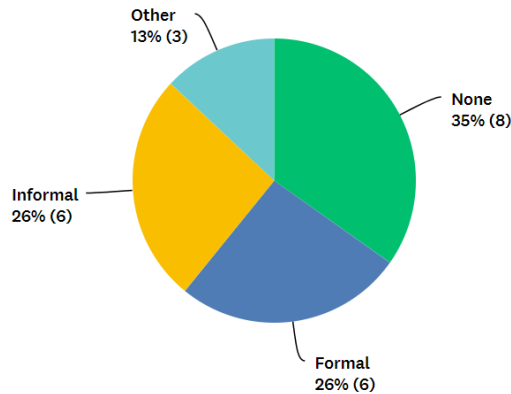


BPAP Distribution & Response: The question was distributed to BPAB members and 23 executed the survey.

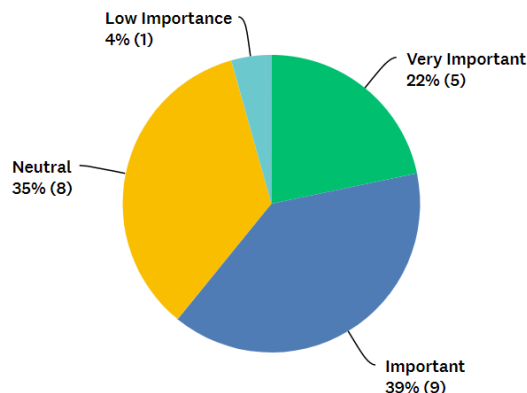
Following are results of questions asked, and additional comments, if any.

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1. What type of reserves policy do you have?

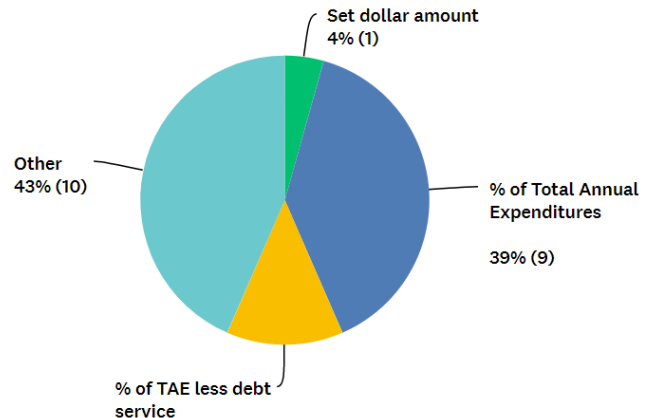


2. How important is it for an EDO to have a formal reserve policy?



- Based on past and current organizations I've worked for, they were / are diligent for setting aside a reserve. This has saved us during downturns when we needed to lean on those reserves and in times that we may have a significant outlay of cash for a specific unforeseen use.
- If an EDO can stick to an informal policy while maintaining flexibility, a formal reserve policy shouldn't be necessary.
- Reserves help us overcome economic downturns and unexpected disasters.
- We do not use Type A/B to attract and retain primary jobs and fund ED through the City's General Fund under a very strict "pay as you go" investment (aka "incentive") policy, by which we will only REBATE a percentage of sales, hotel, and/or property tax revenue generated by a given project.

3. What do you recommend as a basis for setting a reserve amount?



- % of annual revenues (3) / Institutional history
- # of years of op. exp.+debt service+incentive oblig.
- % of TAE, plus an amount for a "war chest" and/or "rainy day fund" according to the community's strategic objectives and tolerance for risk
- % of TAE plus debt service long term plan. Explanation of holdings for long term debt payoff is important for our EDO for budget setting purposes.

4. What would you recommend as an appropriate amount of reserves?

- 6-10%, 20%, 25% (3), 50%,
- 25% of annual revenues (2) / 25% of overall funds
- 6 months of operating expenses
- 3 years of op. exp. + debt service + incentive oblig.
- Be aware that there have been legislative bills to require that EDCs transfer any unused funds to City each year. Support the PAC. Your job depends on it.
- Depends on local political environment and being aware of potential scrutiny by other entities if political environment is not supportive of large EDO reserves.
- One year to cover all obligations (DS and all other grant obligations + 25% of total expenditures)
- 3x op. exp. + debt service and incentive obligations
- 6 months - 1 year of working capital
- 6 months working capital (total expenditures)
- 6 months operating capital + debt service
- 1 year annual expenditures + debt service
- 1 year of total annual expenditures