



# Greater Vallejo Recreation District

GVRD promotes wellness and healthy lifestyles  
by providing safe parks and innovative and fun  
recreation programs for all residents.

## BOARD OF DIRECTORS

Rizal Aliga  
Robert Briseño  
Thomas Judt  
Tom Starnes  
Ward Stewart

## GENERAL MANAGER

Gabe Lanusse

## Budget and Finance Committee Agenda

Directors: Briseño and Judt

Tuesday, September 16, 2025

Administrative Office-Board Room, 401 Amador Street, Vallejo, CA 94590

1:30 p.m.

This committee shall work with the General Manager and other staff of the District on the annual budget(s), projections, and other financial matters. This committee shall review the General Manager and Director's expenses, annual audit, and annual financial statement before publication. The committee will ensure that investment policies and procedures are followed and that funds are invested in a prudent manner with adequate protections to prevent misuse.

### 1. Public Comment

Members of the public may speak on any item within the jurisdiction of the committee. Each speaker is limited to 3 minutes and a spokesperson for an organization is limited to 5 minutes.

### 2. Revised Policy 3030 Budget and Reserves Policy

### 3. Policy and RR 3050 - Fixed Asset Accounting

### 4. Proposed Changes to Policy 3045- Grant Application

### 5. Proposed Policy 3046 – Non-Profit Grant Process

### 6. Discussion on Scholarships and Policy/RR 1050-Financial Assistance

### 7. Meeting Adjourn

# **POLICY MANUAL**

**POLICY TITLE: Budget Process and Reserve Fund**  
**POLICY NUMBER: 3030**

The budgeting process shall be thought out and practical, and result in a budget that supports the District's Strategic Action Plan, best serves the residents of the District and complies with state law.

The preparation of the budget is a planning process allowing for adequate participation of staff, Board members, and the public. It includes review sessions, evaluation of programs, short range and long range capital expenditure needs, and a review of the District's overall financial picture. The budget year is from July 1 to June 30.

## Reserves

Based on the Greater Vallejo Recreation District's experience with unreliable revenue sources from the State, Solano County, and the City of Vallejo, and expenses arising from sudden and unforeseen circumstances, the Board of Directors desires a budget reserve to be established to assist in maintaining the financial stability of the District. The goal set by the Board of Directors is 15% of general fund revenues.

## Purpose of Reserve Policy

An adequate reserve fund set aside for various legitimate purposes is essential to the successful and stable, short and long- term operation of the Greater Vallejo Recreation District.

Adequate reserves for District operations ensure that customers can experience and enjoy the services from parks and recreation. Adequate reserves and proper fiscal oversight ensure that the District will have sufficient funding available to meet its operating, capital debt obligations, as well as any unfunded mandates.

GVRD manages its operation in a manner that allows the District to provide funding for costs consistent with its annually updated multiyear plan. This allows GVRD to avoid significant deficit fluctuations due to changes in cash flow requirements. The ability of the Greater Vallejo Recreation District to maintain reserve funds is a critical factor in providing reliable service and ensuring overall financial strength.

Annually during the budget adoption process, the Greater Vallejo Recreation District Board reviews and approves the appropriate levels and uses for reserve funds based upon the needs of the district.

### Operating Reserve Fund

The Operating Reserve will vary over time. This reserve is considered a working cash requirement. It bridges the gap between the time expenses are paid and the time tax revenues are collected.

### Capital Reserve Fund

The purpose of this fund is to establish funds that are intended for projects not considered routine maintenance. The funds come from grants, other agencies or from funds that were budgeted on capital projects in prior years but unspent. This fund is spent directly on capital projects and is not held in reserve for some other purpose.

The Capital Reserve Fund is drawn down annually as planned capital expenditures amounts are made. At the end of each fiscal year, any unspent budgeted capital funds will be reallocated to this fund and may be used in the following year's capital budget.

### Unrestricted Reserves

The purpose of Unrestricted Reserve also termed "General Reserve" is for unforeseen events, extraordinary expenses or a loss of revenue. This fund should maintain a minimum of 15% of our annual operating expenses.

### Summary

The reserve fund policy states that designated reserves will be maintained to allow for funding of the District's operating and capital obligations, as well as funding for unforeseen events. Reserves will be established, replenished, and used only in a manner, which allows the District to fund costs consistent with the Multi Year Financial Plan and Strategic Action Plan and other Board adopted actions. The District's reserve fund policy shall be periodically reviewed and adjusted to meet the needs of the District.

---

# Greater Vallejo Recreation District

## Rules and Regulations

**POLICY NUMBER/TITLE:** 3030 Budget Process  
**Rule and Regulation:** RR3030

The preparation of the budget is a planning process which includes review sessions, evaluation of programs, short range and long range capital expenditure needs, and a review of the District's overall financial picture.

### Strategic Planning Meeting:

During the annual Strategic Action Plan goal session the General Manager and the Board of Directors will establish priorities and give direction for the budget preparation for the upcoming fiscal year. Prior to the meeting the General Manager shall work with staff to develop a list of key issues that may affect the budget. The process for strategic planning starts in January.

### Budget Calendar:

The General Manager and Finance Department shall develop a budget calendar to outline the key dates for the completion of the budget. It will include work sessions for the staff and Board and due dates for assignments. This calendar will be prepared in January.

### Outline Fiscal Circumstances:

Staff shall prepare a list of "financial circumstances" that the District faces. These shall be the assumptions under which the budget shall be prepared. This includes but is not limited to Strategic Action Plan goals and objectives, contract requirements, inflation, capital repairs and expenditures, state of the economy, anticipated cost in benefits, risk management costs, and others. This should be conducted in March.

### Review of Fees:

Staff shall review all the fees that are being charged as a part of the District doing business. These include but are not limited to park reservation fees, entry fee into sports leagues, after school program, center rental fees, and community education classes. In reviewing these fees staff shall take into consideration the direct and indirect costs of providing the service or program, other agencies charges for similar programs, increased fees affect on the program, and other factors unique to the program or service. This review shall be completed in March in order to submit a new fee schedule to the Finance Committee for recommendation to the Board. The approved fees shall be used to calculate the revenue projections in the budget.

### Preliminary Budget:

Develop the preliminary budget for the General Fund, and Capital Projects Fund in February. The preliminary budget as approved by the Board during review shall be adopted at its first regular meeting in April.

### Publication

As prescribed by the Public Resource Code, "on or before July 1 of each year, the Board of Directors shall publish a notice stating all of the following:

1. That it has adopted a preliminary budget that is available for inspection at a time and place within the district specified in the notice.
2. The date, time, and place when the Board of Directors will meet to adopt the final budget and that any person may appear and be heard regarding any item in the budget or regarding the addition of other items.

The Board of Directors shall publish the notice at least two weeks before the hearing in at least one newspaper of general circulation in the District pursuant to Section 6061 of the Government Code."

### Final Budget:

Publicize the date of the Public Hearing and adoption of the Final Budget. Notice must be published no later than one month prior to final budget adoption, which should occur prior to the beginning of the fiscal year, July 1<sup>st</sup>. Adoption of Annual Proceeds of Taxes and appropriation Limitation (State Constitution Article XIII B) shall occur in August. GVRD will follow all state and local laws as timelines and budget submittals as required.

### Budget Forecasts:

Staff shall complete a budget forecast that will be a best effort at estimating the final revenue and expense amounts for the current fiscal year. This shall be completed in January.

### Budget Reopener:

GM may recommend a budget reopener based on revenue and expense forecasts and other financial information available to realign and adjust the budget to best reflect the anticipated needs of the district. The reopener shall comply with applicable state law.

### Budget Categories:

#### Revenues:

- Property Taxes
- Fees
- Local Revenues
- Insurance rebates
- Rents and concessions
- Grants
- Refunds and miscellaneous

#### Expenditures:

- Salaries and Employee Benefits
- Utilities
- Materials and Supplies
- Operating costs
- Capital Outlay
- Reserve for Priority Allocations

---

# Greater Vallejo Recreation District

## POLICY MANUAL

**POLICY TITLE:** Budget Process and Fiscal Management Reserves  
**POLICY NUMBER:** 3030

### Purpose

The Greater Vallejo Recreation District establishes this Budget Process and Reserve Policy to provide clear and comprehensive guidelines for budget development, adoption, implementation, and fiscal management of Reserve Funds.

### General Guidelines

The District adopts a budget annually to be effective July 1, for the ensuing fiscal year which runs from July 1 to June 30. Budgets are adopted on a basis substantially consistent with generally accepted accounting principles (GAAP) and the Governmental Finance Officers Association (GFOA) best practices. Budgeted expenditures are adopted through the passage of a resolution. This resolution constitutes the maximum authorized expenditures for the fiscal year and cannot legally be exceeded except by subsequent amendments of the budget by the Board of Directors.

The budgeting process shall be thought-out, practical, and will result in a budget that supports the District's Strategic Action Plan that will best serve the residents of the District, and complies with state law.

The preparation of the budget is a planning process allowing for adequate participation of staff, Board members, and the public. It includes review sessions, evaluation of programs, short range and long range capital expenditure needs, and a review of the District's overall financial picture.

With the prior direction of the Board of Director's to the District, a two-year budget may be prepared for consideration and adoption.

Following California Code, Government Code - GOV § 61110

On or before July 1 of each year or, for special districts, the board of directors may adopt a preliminary budget that conforms to generally accepted accounting and budgeting procedures for special districts.

The date, time, and place when the board of directors will meet to adopt the final budget and that any person may appear and be heard regarding any item in the budget or regarding the addition of other items.

The board of directors shall publish the notice at least two weeks before the hearing in at least one newspaper of general circulation in the district pursuant to Section 6061.

At the time and place specified for the hearing, any person may appear and be heard regarding any item in the budget or regarding the addition of other items. The hearing on the budget may be continued from time to time.

On or before September 1 of each year the board of directors shall adopt a final budget that conforms to generally accepted accounting and budgeting procedures for special districts. The general manager shall forward a copy of the final budget to the auditor of each county in which the district is located.

### Budget Development Principles

The following general principles are designed to help guide budget planning and development. The District will strive to:

- **Use a transparent process and informed financial decision-making.** The District will conduct its financial business with transparency. The District will proactively pursue ways to make budget information publicly available, accessible, and easy to understand for all community members. District staff will identify and evaluate short and long-term impacts of issues for community and Council consideration.
- **Adopt a structurally balanced budget.** The General Fund operating budget will be structurally balanced, with recurring expenditures (including debt service) funded with recurring revenues. One-time revenues and reserves will be used only for non-recurring expenditures.
- When, for a variety of reasons, true structural balance may not be possible for a given fiscal year, use of reserves to balance the budget may be considered to address temporary shortfalls or to ease the transition to downsized and/or reorganized operations. Use of reserves to fund recurring expenditures will be considered in the context of a plan to return to structural balance, replenish fund balance, and mitigate the negative impacts of any other short-term balancing actions that may be taken.
- **Achieve financial sustainability.** The District will strive to maintain a strong and diversified revenue base to fund a level of expenditures that provides for the public well-being, safety, and quality of life for residents in the community. The District will proactively identify and monitor long-term financial liabilities, including unfunded pension and retirement obligations, and strive to manage these commitments in way that prioritizes the District's long-term financial sustainability. The District recognizes a responsibility as an employer to appropriately fund staff compensation to attract and retain a skilled workforce while maintaining long-term fiscal sustainability and a balanced budget. The District will work to identify sufficient funding sources for capital improvements to prevent significantly higher costs at a later time due to deferred investment in infrastructure.
- **Seek efficiency and effectiveness.** Staff will continuously explore innovative ways to reduce costs while preserving or enhancing desired outcomes and results. Budget increases or reductions will be analyzed in terms of both the impact on current levels of service to the community as well as potential indirect and long-term impacts. Community programs and services will be regularly evaluated to ensure needs are met in the most effective and efficient way possible. The use of consultants, contractors, limited term or part-time positions will be considered for situations when it is more cost-effective than hiring a full-time position. Organizational efficiency will be supported with ongoing investment in technology and equipment, especially when staffing is limited.

### Vehicle, Technology and Long-Term Building Maintenance

Sufficient funds will be maintained for the planned and systematic replacement of existing vehicles and related equipment (Vehicle Replacement Fund); for the operational costs, maintenance, and planned replacement of installed computer systems as well as software, telephone systems and other critical office equipment (Management Information Systems Fund); and for the future replacement or repair of certain maintenance items such as re-painting, re-flooring, re-roofing and mechanical equipment replacement in existing District building facilities (Long-Term Building Maintenance Fund).

Internal Service Funds (ISF) are used to provide a funding mechanism for certain expenditures made in support of District operating departments on a cost reimbursement basis. Internal Service Funds are self-supporting through charges to departments and/or funds. Use of Internal Service Funds helps to prevent large swings in annual costs by anticipating future needs and amortizing replacement costs over a period of time. Internal service rates will be updated annually to ensure charges to departments can pay for the timely replacement of equipment and major maintenance costs. Capital outlays for purchases of replacement equipment are budgeted in the Internal Service Funds, while expenditures for new equipment that are not capital assets are included within the operating program budgets.

Although not recommended, if needed the above listed ISF may be utilized in other areas upon emergency needs deemed by the Board or GM. They are designated but unrestricted funds.

### Budget Control

Expenditures are controlled at the fund level for all budgeted departments within the District. This is the level at which expenditures may not legally exceed appropriations.

Operating Budget: The General Manager or designee is authorized to transfer General Fund operating budget appropriations within and between departments. Any amendments to the total level of net appropriations for a fund, or transfers between funds, must be approved by the Board of Directors.

Capital Improvement Program Budget: The General Manager or designee is authorized to transfer budget between CIP projects within a fund; however, District approval is required for capital project cost increases more than 10% of a project's current total authorized budget. Any amendments to the total level of net appropriations for a fund, or transfers between funds, must be approved by the Board of Directors.

Supplemental appropriations financed by unanticipated revenues during the year must be approved by the Board of Directors.

### Year-End Surplus

Any year-end surpluses in the operating budget will be used to increase fund balance reserves and utilized in accordance with the District's Reserve Policy. Unexpended appropriations in the operating budget for projects that are in progress and not anticipated to be completed by the end of the fiscal year will be included in the proposed operating budget for re-appropriation in the following year.

## General Fund Reserves

Reserves are set aside for various legitimate purposes that are essential to the successful and stable, short and long- term operation of the Greater Vallejo Recreation District.

Adequate reserves for District operations ensure that customers can experience and enjoy the services from parks and recreation. Adequate reserves and proper fiscal oversight also ensure that the District will have sufficient funding available to meet its operating, debt obligations, as well as any unfunded mandates.

The Greater Vallejo Recreation District manages its operation in a manner that allows the District to provide funding for costs consistent with its annually updated multi-year plan. This allows the District to avoid significant deficit fluctuations due to changes in cash flow requirements. The ability of the Greater Vallejo Recreation District to maintain reserve funds is a critical factor in providing reliable service and ensuring overall financial strength.

Based on the Greater Vallejo Recreation District's experience with unreliable revenue sources from the State, Solano County, and the City of Vallejo, and expenses arising from sudden and unforeseen circumstances, the Board of Directors desires to establish general fund reserves to assist in maintaining the financial stability of the District. These policies will guide the District in:

- Planning for economic uncertainties, downturns in the local or national economy, local disasters or catastrophic events;
- Maintaining good standing with credit rating agencies;
- Future debt or capital obligations;
- Ensuring cash availability when revenue is unavailable;
- Deciding when to use reserves and how to replenish reserves if they have been spent.

Per current Government Accounting Standards Board Statement No. 54, ("GASB" 54), fund balances are divided into five (5) categories in the financial statements:

<b>CATEGORY</b>	<b>DESCRIPTION</b>
Non-Spendable	Cannot be readily converted to cash or is not legally spendable (example: assets required to be maintained intact)
Restricted	Externally imposed restrictions on spending (creditors, granting agencies, or laws)
Committed	District formally imposed restrictions on spending (by resolution or other action)
Assigned	Funds reserved by the Board of Directors for designated purposes
Unassigned	Residual balance not classified in any of the above categories and available for expenditure

Special Districts often create different reserves within these classifications to set aside funds for specific purposes. For purposes of this document, the District's General Fund reserve will include the sum of the Committed, Assigned, and Unassigned Fund Balances for that fund.

## GENERAL FUND RESERVES

GENERAL FUND			
Reserves	Description	Calculation	GASB Categorization
<b>General Fund Operating Reserve</b>	Provide funding to evaluate alternatives in the event of financial hardships, provide resources in times of economic uncertainties and downturns, and to provide funding due to unexpected expenditures and/or reductions in revenues.	Two (2) months annual operating expenditures or 15% of annual operating expenditures	Committed
<b>General Fund Emergency Reserve</b>	Provide operating and/or repair funds in the event of a local disaster or catastrophic event.	Base amount of \$1,500,000	Committed
<b>General Fund Unassigned Reserve</b>	Residual balance not classified in any of the above categories and available for expenditure	Residual General Fund balance not classified above and available for expenditure	Unassigned

### General Fund Operating Reserve

The purpose of the General Fund Operating Reserve is to provide sufficient cash flow and to provide breathing room for the District to evaluate alternatives in the event of financial hardships, provide resources in times of economic uncertainties and downturns, and to provide funding due to unexpected expenditures and/or reductions in revenues.

The Government Finance Officers Association (GFOA) maintains a best practice for general fund reserves. While the level of reserves should be assessed on the District's unique circumstances or risk levels, the recommended best practice is to keep at least two months of operating expenditures or minimum of 15% reserves.

The General Fund Operating Reserve can cover any significant unanticipated or mandated expenditures which cannot be deferred or efficiently funded by borrowing. This reserve is not intended to provide funding for new programs or for "buys of opportunity" or similar circumstances, usually involving the purchase of property. The General Fund Operating Reserve is distinguished from the General Fund Emergency Disaster/Reserve, from any reserves that may be Committed for specific purposes, and from unassigned fund balance and shall be reported separately on the balance sheet.

Under "GASB 54" the General Fund Operating Reserve will also be categorized in the District's financial statements as *Committed* fund balance.

When adopting the budget each year, the Greater Vallejo Recreation District shall establish a General Fund Operating Reserve of 15% of annual General Fund expenditures, (equal to two months of annual operating expenditures), which is available for appropriation for financial hardships or to provide resources in times of economic uncertainties and downturns, and to provide funding due to unexpected expenditures and/or reductions in revenues.

Process for the Use of the General Fund Operating Reserve in the Event of Financial Adversity:

- In the event of financial adversity, (defined as a prolonged downturn in one or more major revenue sources for the General Fund or imposition of a significant, unanticipated and unavoidable expense that cannot be deferred or efficiently funded by borrowing), staff would request Board approval to utilize the General Fund Operating Reserve to maintain current service levels until a reduced budget is prepared or other solutions identified.
- Appropriate staff (i.e. General Manager and Department Heads) would evaluate affected revenues and programs and make recommendations regarding any reduced service levels and/or any other solutions.
- The proposed financial plan would be shared with all District staff.
- Recommendations from the General Manager and staff on the proposed financial plan will be presented to the Board of Directors for review, discussion, and adoption at a public meeting.

Use of the General Fund Operating Reserve in the event of financial adversity will be by the direction of the Board of Directors only and shall be appropriated by a simple majority vote of the Board.

Whenever expenditures or transfers are made from the General Fund Operating Reserve, it shall be a high priority for the District to reimburse such expenditures soon, normally by deferring other services or project expenditures.

Should the Board opt not to draw on the Operating Reserve or should the financial hardship exceed the available reserve funds, the District may direct that funding be augmented through the following options:

- External/Third-Party Financing;
- Immediate spending freeze; and/or
- Other financing options available at the point of need.

The Board of Directors may from time-to-time authorize budget appropriations that would reduce the General Fund Operating Reserve below its policy-mandated 15% level, and this shall be by a simple majority vote of the Board.

If the Board appropriates funds that, for any purpose authorized in this policy, would drop the General Fund Operating Reserve below 15%, the next budget cycle should include a plan for how the General Fund Operating Reserve will be restored to the required 15% reserve level within a reasonable time.

### General Fund Emergency Reserve

The purpose of the Greater Vallejo Recreation District's General Fund Emergency Reserve is to provide operating and/or repair funds in the event of a local disaster or catastrophic event.

When adopting the budget each year, the Greater Vallejo Recreation District shall establish a General Fund Emergency Reserve of \$1.5 million, which is available for appropriation to respond to local disasters or catastrophic events, whether natural or man-made.

The Board of Directors may from time-to-time authorize budget appropriations that would reduce the General Fund Emergency Reserve below its policy-mandated \$1.5 million level, and this shall be by a simple majority vote of the Board. These appropriations should be made only in response to significant events such as, (but not limited to), natural disasters, declared emergencies or catastrophic events.

If the Board of Directors appropriates funds that, for any purpose authorized in this policy, would drop the General Fund Emergency Reserve below \$1.5 million, the next budget cycle should include a plan for how the General Fund Emergency Reserve will be restored to the required \$1.5 million reserve level within a reasonable time.

Under "GASB 54" the General Fund Emergency Reserve will be categorized in the District's financial statements as *Committed* fund balance.

### Summary

The reserve fund policy states that designated reserves will be maintained to allow for funding of the District's operating and capital obligations, as well as funding for unforeseen events. Reserves will be established, replenished, and used only in a manner, which allows the District to fund costs consistent with the Multi Year Financial Plan and Strategic Action Plan and other Board adopted actions. The District's reserve fund policy shall be periodically reviewed and adjusted to meet the needs of the district.

---

# Greater Vallejo Recreation District

## POLICY MANUAL

**POLICY TITLE:** Budget Process and Reserves  
**POLICY NUMBER:** 3030

### Purpose

The Greater Vallejo Recreation District establishes this Budget Process and Reserves Policy to provide clear and comprehensive guidelines for budget development, adoption, implementation, and fiscal management of Reserve Funds.

### General Guidelines

The District adopts a budget annually to be effective July 1, for the ensuing fiscal year which runs from July 1 to June 30. Adopted budgets will be consistent with generally accepted accounting principles (GAAP) and the Governmental Finance Officers Association (GFOA) best practices. The Board of Directors adopts a budget through a resolution. This budget resolution sets the maximum authorized expenditures for the fiscal year and cannot legally be exceeded except by subsequent amendments approved by the Board of Directors.

The budgeting process shall be thought-out, practical, support the District's Master Plan, serve the residents of the District, and comply with state law.

The preparation of the budget is a planning process allowing for adequate participation of staff, Board members, and the public. It includes review sessions, evaluation of programs, short range and long-range capital expenditure needs, and a review of the District's overall financial picture.

The Board of Directors may request staff to prepare a two-year budget for consideration and adoption.

The District's budget process shall proceed according to the following timeline:

- In January, the General Manager and the Board of Directors shall engage in budget planning, to establish priorities and provide direction for budget preparation for the upcoming fiscal year.
- In January, the General Manager and Finance Department shall develop a budget calendar to outline the key dates for the completion of the budget.
- By March, staff will review all District fees, including but not limited to, park reservation fees, entry fees into sports leagues, after school programs, community center rental fees, and classes. In March, staff shall submit an updated fee schedule to the Finance Committee for recommendation to the Board of Directors
- On or before July 1, the Board of Directors shall adopt a preliminary budget.
- On or before July 1, the Board of Directors shall publish a notice stating that it has adopted a preliminary budget and setting forth the date, time, and place when the Board of Directors will meet to adopt the District's final budget.

- On or before July 1, the Board of Directors shall adopt a resolution establishing its appropriations limit.
- On or before August 30, after making any changes to the preliminary budget, the Board of Directors shall adopt a final budget.

After the Board of Directors adopts a final budget, the General Manager may recommend budget amendments, as needed, during the ensuing fiscal year.

### Budget Development Principles

The following general principles are designed to help guide budget planning and development. The District will strive to:

- **Use a transparent process and informed financial decision-making.** The District will conduct its financial business with transparency. The District will proactively pursue ways to make budget information publicly available, accessible, and easy to understand for all community members. District staff will identify and evaluate short and long-term impacts of issues for community and Board of Directors consideration.

**Adopt a structurally balanced budget.** The General Fund operating budget will be structurally balanced, with recurring expenditures (including debt service) funded with recurring revenues. One-time revenues and reserves will be used only for non-recurring expenditures. When, for a variety of reasons, true structural balance may not be possible for a given fiscal year, use of reserves to balance the budget may be considered to address temporary shortfalls or to ease the transition to downsized and/or reorganized operations. Use of reserves to fund recurring expenditures will be considered in the context of a plan to return to structural balance, replenish fund balance, and mitigate the negative impacts of any other short-term balancing actions that may be taken.

- **Achieve financial sustainability.** The District will strive to maintain a strong and diversified revenue base to fund a level of expenditures that provides for the public well-being, safety, and quality of life for residents in the community. The District will proactively identify and monitor long-term financial liabilities, including unfunded pension and retirement obligations, and strive to manage these commitments in way that prioritizes the District's long-term financial sustainability. The District recognizes a responsibility as an employer to appropriately fund staff compensation to attract and retain a skilled workforce while maintaining long-term fiscal sustainability and a balanced budget. The District will work to identify sufficient funding sources for capital improvements to prevent significantly higher costs at a later time due to deferred investment in infrastructure.
- **Seek efficiency and effectiveness.** Staff will continuously explore innovative ways to reduce costs while preserving or enhancing desired outcomes and results. Budget increases or reductions will be analyzed in terms of both the impact on current levels of service to the community as well as potential indirect and long-term impacts. Community programs and services will be regularly evaluated to ensure needs are met in the most effective and efficient way possible. The use of consultants, contractors, limited term or part-time positions will be considered for situations when it is more cost-effective than hiring a full-time position. Organizational efficiency will be supported with ongoing investment in technology and equipment, especially when staffing is limited.

## Vehicle, Technology and Long-Term Building Maintenance

Internal Service Funds (ISFs) may be used to provide a funding mechanism for certain expenditures made in support of District operating departments on a cost reimbursement basis. Internal Service Funds are self-supporting through charges to departments and/or funds. Use of Internal Service Funds helps to prevent large swings in annual costs by anticipating future needs and amortizing replacement costs over a period of time. Internal service rates will be updated annually to ensure charges to departments can pay for the timely replacement of equipment and major maintenance costs. Capital outlays for purchases of replacement equipment are budgeted in the Internal Service Funds, while expenditures for new equipment that are not capital assets are included within the operating program budgets.

The District may establish ISFs for:

- the planned and systematic replacement of existing vehicles and related equipment (Vehicle Replacement Fund);
- the operational costs, maintenance, and planned replacement of installed computer systems as well as software, telephone systems and other critical office equipment (Management Information Systems Fund); and
- the future replacement or repair of certain maintenance items such as re-painting, re-flooring, re-roofing and mechanical equipment replacement in existing District building facilities (Long-Term Building Maintenance Fund).

Although not recommended, if needed, the above listed ISFs may be utilized in other areas upon emergency needs as determined by the Board of Directors or General Manager. They are designated but unrestricted funds.

## Budget Control

Expenditures are controlled at the fund level for all budgeted departments within the District. This is the level at which expenditures may not legally exceed Board-approved appropriations.

Operating Budget: The General Manager or designee is authorized to transfer General Fund operating budget appropriations within and between departments. Any amendments to the total level of net appropriations for a fund, or transfers between funds, must be approved by the Board of Directors.

Capital Improvement Program Budget: The General Manager or designee is authorized to transfer budget between CIP projects within a fund; however, Board of Directors approval is required for capital project cost increases more than 10% of a project's current total authorized budget. Any amendments to the total level of net appropriations for a fund, or transfers between funds, must also be approved by the Board of Directors.

Supplemental appropriations financed by unanticipated revenues during the fiscal year are subject to Board of Directors approval.

## Year-End Surplus

Any year-end surpluses in the operating budget will be used to increase fund balance reserves and utilized in accordance with this Policy. Unexpended appropriations in the operating budget for projects that are in progress

and not anticipated to be completed by the end of the fiscal year will be included in the proposed operating budget for re-appropriation in the following year.

### General Fund Reserves

Reserves are set aside for various purposes that are essential to the successful and stable, short and long-term operation of the District.

Adequate reserves for District operations ensure that customers can experience and enjoy the services from parks and recreation. Adequate reserves and proper fiscal oversight also ensure that the District will have sufficient funding available to meet its operating, debt obligations, as well as any unfunded mandates.

The District manages its operation in a manner that allows the District to provide funding for costs consistent with its annually updated multi-year plan. This allows the District to avoid significant deficit fluctuations due to changes in cash flow requirements. The ability of the District to maintain reserve funds is a critical factor in providing reliable service and ensuring overall financial strength.

Based on the District's experience with unreliable revenue sources from the State, Solano County, and the City of Vallejo, and expenses arising from sudden and unforeseen circumstances, the Board of Directors desires to establish general fund reserves to assist in maintaining the financial stability of the District. These policies will guide the District in:

- Planning for economic uncertainties, downturns in the local or national economy, local disasters or catastrophic events;
- Maintaining good standing with credit rating agencies;
- Anticipating future debt or capital obligations;
- Ensuring cash availability when revenue is unavailable;
- Deciding when to use reserves and how to replenish reserves if they have been spent.

Public Resources Code Section 5788.9 addresses the establishment of budget reserves, providing:

- In its annual budget, the Board of Directors may establish a restricted reserve for capital outlay and a restricted reserve for contingencies. When the Board of Directors establishes a restricted reserve, it shall declare the exclusive purposes for which the funds in the reserve may be spent. The funds in the restricted reserve shall be spent only for the exclusive purposes for which the Board of Directors established the restricted reserve. The reserves shall be maintained according to generally accepted accounting principles and Government Accounting Standards Board Statement No. 54, (GASB 54)
- Any time after the establishment of a restricted reserve, the Board of Directors may transfer any funds to that restricted reserve.
- If the Board of Directors finds that the funds in a restricted reserve are no longer required for the purpose for which the restricted reserve was established, the Board of Directors may, by a four-fifths vote, discontinue the restricted reserve or transfer any funds that are no longer required from the restricted reserve to the District's general fund.

Per current Government Accounting Standards Board Statement No. 54, ("GASB" 54), fund balances are divided into five (5) categories in financial statements:

CATEGORY	DESCRIPTION
Non-Spendable	Cannot be readily converted to cash or is not legally spendable (example: assets required to be maintained intact)
Restricted	Externally imposed restrictions on spending (creditors, granting agencies, or laws)
Committed	District-imposed restrictions on spending (by resolution or other formal action)
Assigned	Funds reserved by the Board of Directors for designated purposes
Unassigned	Residual balance not classified in any of the above categories and available for expenditure

Special Districts often create different reserves within these classifications to set aside funds for specific purposes. For purposes of this document, the District's General Fund reserve will include the sum of the Committed, Assigned, and Unassigned Fund Balances for that fund.

### GENERAL FUND RESERVES

GENERAL FUND			
Reserves	Description	Calculation	GASB Categorization
<b>General Fund Operating Reserve</b>	Provide funding to evaluate alternatives in the event of financial hardships, provide resources in times of economic uncertainties and downturns, and to provide funding due to unexpected expenditures and/or reductions in revenues.	Two (2) months annual operating expenditures or 15% of annual operating expenditures	Committed
<b>General Fund Emergency Reserve</b>	Provide operating and/or repair funds in the event of a local disaster or catastrophic event.	Base amount of \$1,500,000	Committed
<b>General Fund Unassigned Reserve</b>	Residual balance not classified in any of the above categories and available for expenditure	Residual General Fund balance not classified above and available for expenditure	Unassigned

#### General Fund Operating Reserve

The purpose of the General Fund Operating Reserve is to provide sufficient cash flow and to provide breathing room for the District to evaluate alternatives in the event of financial hardships, provide resources in times of economic uncertainties and downturns, and to provide funding due to unexpected expenditures and/or reductions in revenues.

The GFOA maintains a best practice for general fund reserves. While the level of reserves should be assessed based on the District's unique circumstances or risk levels, the recommended best practice is to keep at least two months of operating expenditures or minimum of 15% reserves.

The General Fund Operating Reserve can cover any significant unanticipated or mandated expenditures which cannot be deferred or efficiently funded by borrowing. This reserve is not intended to provide funding for new programs or for "buys of opportunity" or similar circumstances, usually involving the purchase of property. The General Fund Operating Reserve is distinguished from the General Fund Emergency Reserve, from any reserves that may be Committed for specific purposes, and from unassigned fund balance and shall be reported separately on the balance sheet.

Under "GASB 54," the General Fund Operating Reserve will also be categorized in the District's financial statements as a *Committed* fund balance.

When adopting the budget each year, the District shall establish a General Fund Operating Reserve of ,at least, 15% of annual General Fund expenditures, equal to two months of annual operating expenditures, which is available for appropriation for financial hardships or to provide resources in times of economic uncertainties and downturns, and to provide funding due to unexpected expenditures and/or reductions in revenues.

Process for the use of the General Fund Operating Reserve in the event of financial adversity:

- In the event of financial adversity, defined as a prolonged downturn in one or more major revenue sources for the General Fund or imposition of a significant, unanticipated and unavoidable expense that cannot be deferred or efficiently funded by borrowing, staff would request Board of Directors approval to utilize the General Fund Operating Reserve to maintain current service levels until a reduced budget is prepared or other solutions identified.
- Appropriate staff (i.e., General Manager and Department Heads) would evaluate affected revenues and programs and make recommendations regarding any reduced service levels and/or any other solutions.
- The proposed financial plan would be shared with all District staff.
- Recommendations from the General Manager and staff on the proposed financial plan will be presented to the Board of Directors for review, discussion, and adoption at a public meeting.

Use of the General Fund Operating Reserve in the event of financial adversity will be by the direction of the Board of Directors only and shall be appropriated by a simple majority vote of the Board.

Whenever expenditures or transfers are made from the General Fund Operating Reserve, it shall be a high priority for the District to reimburse such expenditures soon, normally by deferring other services or project expenditures.

Should the Board of Directors opt not to draw on the General Fund Operating Reserve or should the financial hardship exceed the available reserve funds, the Board of Directors may direct that funding be augmented through the following options:

- External/Third-Party Financing;
- Immediate spending freeze; and/or
- Other financing options available at the point of need.

In the event of financial adversity, the Board of Directors may from time-to-time authorize budget appropriations that would reduce the General Fund Operating Reserve below its policy-mandated 15% level, and this shall be by a simple majority vote of the Board.

If the Board of Directors appropriates funds that, for any purpose authorized in this policy, would drop the General Fund Operating Reserve below 15%, the next budget cycle should include a plan for how the General Fund Operating Reserve will be restored to the required 15% reserve level within a reasonable time.

### General Fund Emergency Reserve

When adopting the budget each year, the District shall establish a General Fund Emergency Reserve of \$1.5 million, which is available for appropriation to respond to significant events such as, but not limited to, natural disasters, declared emergencies or catastrophic events.

The Board of Directors may from time-to-time authorize budget appropriations that would reduce the General Fund Emergency Reserve below its policy-mandated \$1.5 million level, and this shall be by a simple majority vote of the Board. These appropriations should be made only in response to significant events such as, but not limited to, natural disasters, declared emergencies or catastrophic events.

If the Board of Directors appropriates funds that, for any purpose authorized in this policy, would drop the General Fund Emergency Reserve below \$1.5 million, the next budget cycle should include a plan for how the General Fund Emergency Reserve will be restored to the required \$1.5 million reserve level within a reasonable time.

Under "GASB 54," the General Fund Emergency Reserve will be categorized in the District's financial statements as a *Committed* fund balance.

### Summary

This Policy will allow for funding of the District's operating and capital obligations, as well as funding for unforeseen events. Reserves will be established, replenished, and used only in a manner, which allows the District to fund costs consistent with the Master Plan and other actions approved by the Board of Directors.

---

# Greater Vallejo Recreation District

## **POLICY MANUAL**

**POLICY TITLE:** Fixed Asset Accounting  
**POLICY NUMBER:** 3050

The purpose of this policy is to ensure proper accounting control resulting in the maintaining of accurate financial reports of fixed assets.

All fixed assets will be recorded in the Fixed Asset ledger by the Finance Department. Applicable purchases for inclusion shall be the following:

- Equipment, tools, and vehicles that individually have an original total cost of more than \$1000 and have a life expectancy of more than three (3) years.
- All land and building acquisitions regardless of price; and,
- Additions or major improvements to the District's service infrastructure.

A physical inspection of all fixed assets shall be conducted on an annual basis.

---

# Greater Vallejo Recreation District

## Rules and Regulations

**POLICY NUMBER/TITLE:** 3050 Fixed Asset Accounting  
**Rule and Regulation:** RR3050

### Definitions:

Fixed Assets are tangible assets of significant value having a utility which extends beyond the Current year. The fixed assets to be included in the system are land, structures and improvements, and equipment.

Land includes real estate investment and held in fee title.

Structures and Improvements are physical property of a permanent nature, examples of which are buildings, structural attachments and parking areas. Sidewalks and drives in connection with other structures or parks should also be capitalized. Structures and improvements of \$1000 and over shall be capitalized.

Fixtures are permanent attachments to structures which are not intended to be removed and which function as part of the structure, such as boilers, lighting fixtures or plumbing.

Equipment includes moveable personal property of a relatively permanent nature and of significant value, such as furniture, machines, tools and vehicles. "Relatively permanent" is defined as a useful life of three years and longer. "Significant value" is defined as \$1000 and over. The cost test may be applied in some instances to aggregates of units of similar type or purpose, such as blocks of folding chairs, shelving and filing drawers, rather than to the unit itself.

Treatment of Costs Subsequent to Acquisition. Expenditures on fixed assets which are incurred after their original acquisition are defined and recorded as follows:

- Maintenance is defined as expenditures which neither materially add to the value of property nor appreciably prolong its life, but merely keep it in an ordinary efficient operating condition. Maintenance costs shall not be capitalized.
- Betterments consist of the replacement of a unit of an existing asset by an improved or superior unit, usually resulting in a more productive, efficient or longer lived property. Significant betterments are considered as fixed assets and are added to the value of the property improved. Replacement of a part of an existing asset by another of like quality is not betterment, even though the useful life of the asset is maintained or extended. If a betterment exists, the amount of betterment is measured by the difference between the cost of the new asset and that of the asset replaced. In cases where the original cost of a replaced asset is not readily available, the best estimate of such cost may be used.

Additions are new and separate units, or extensions of existing units, and are considered to be fixed assets. As with betterments the test of significance should be applied.

Alterations are changes in the physical structure or arrangement of fixed assets, the cost of which does not qualify as an increase in fixed assets under the foregoing definitions of betterments and additions. Alterations shall not be capitalized.

Valuation:

Reasons for Assigning Value. A dollar-value should be assigned each fixed asset item for the following reasons:

- Values serve as a control device; they are an important aspect of identification of a particular item or group of items.
- Values make it possible to present to the public the governmental agency's investment in fixed assets.
- Values provide a check on the adequacy of the governmental agency's insurance coverage.
- Values on individual items provide information for cost accounting.

Basis: Generally the investment in fixed assets should be recorded at historical cost. The objective is to account for the investment, not present market or replacement values.

Land Cost: The cost of land includes all expenditures in connection with its acquisition, such as:

Purchase price	Payment of damage
Appraisal and negotiation fees	Clearing land for use
Title search fees	Demolishing or removing structures
Surveying fees	Filling costs
Cost of consents	

Receipts from the sales of salvage should be credited against the land cost.

Structures and Improvements Cost: The cost of structures and improvements includes all expenditure in connection with their acquisition, such as:

- Purchase price or construction cost
- Fixtures attached to the structure
- Architects' fees
- Cost of permits and license
- Accident or injury costs
- Payment of damages
- Insurance during construction

The cost should be reduced for:

- Sales of salvage from materials charged against the construction.
- Discounts, allowances and rebates secured.
- Amounts recovered through surrender of liability and casualty insurance.

Equipment Cost: The cost of equipment includes:

- Purchase price or construction cost, before trade-in allowances, less discounts.
- Freight or other carriage charges.
- Sales, use or transportation taxes.
- Installation costs.

Donated Assets: Fixed assets donated should be entered in the accounts at their fair market value as of the date of the gift.

### Identification of Equipment

When any equipment, tool, or motor vehicle with a value of \$1000 or greater is received, a tag with a unique identification number shall be affixed to said item, and the number recorded in the permanent inventory records.

Permanent inventory records shall be maintained in either a paper file or electronic (computer data base) format. Records shall be updated whenever a change in the status of a particular fixed asset occurs (e.g., original purchase, sale, destruction, loss, theft, etc.).

Information to be maintained in inventory records shall include at least the following:

- Asset number;
- Description;
- Manufacturer's serial number;
- Storage location;
- Original cost;
- Acquisition date;
- Life expectancy; and,
- Classification code (e.g., office equipment, vehicle, etc.).

### Physical Inspection of Fixed Assets

Annually District staff will locate and inspect each item that is included in the Fixed Asset Ledger, noting its location and condition. A listing of assets not found or no longer usable will be prepared for review by the General Manager. The results shall be prepared and reported to the Board of Directors.

### Removal from Inventory

The Board of Directors may authorize the removal of items from inventory and their disposal. The General Manager shall submit annually (or more frequently if needed) a list of items to be declared surplus with a recommendation or method of disposal.

---

# Greater Vallejo Recreation District

## POLICY MANUAL

POLICY TITLE: Fixed Capital Asset Accounting Policy

POLICY NUMBER: 3050

~~\_\_\_\_\_ The purpose of this policy is to ensure proper accounting control resulting in the maintaining of accurate financial reports of fixed assets.~~

~~\_\_\_\_\_ All fixed assets will be recorded in the Fixed Asset ledger by the Finance Department. Applicable purchases for inclusion shall be the following:~~

- ~~• \_\_\_\_\_ Equipment, tools, and vehicles that individually have an original total cost of more than \$1000 and have a life expectancy of more than three (3) years.~~
- ~~• \_\_\_\_\_ All land and building acquisitions regardless of price; and,~~
- ~~• \_\_\_\_\_ Additions or major improvements to the District's service infrastructure.~~

~~\_\_\_\_\_ A physical inspection of all fixed assets shall be conducted on an annual basis.~~

### I. Purpose

The purpose of this policy is: (1) to describe the policies and procedures utilized in the District's capital asset management system, and (2) to put guidelines in place to account for and depreciate the District's capital assets. The primary goals of this policy are:

- a. \_\_\_\_\_ To ensure that the District's capital assets are accounted for in conformance with generally accepted accounting principles; and
- b. \_\_\_\_\_ To establish a consistent and cost-effective way to account for the District's capital assets.
- c. \_\_\_\_\_ This Capital Asset Management policy is written in accordance with generally accepted accounting principles and closely conforms to capital asset accounting practices as recommended by the Government Finance Officers Association (GFOA). The Government Finance Officers Association recommends that every state and local government use the following applicable guidelines in establishing capitalization thresholds for capital assets:
  - i. \_\_\_\_\_ Capital assets should be capitalized only if they have an estimated useful life of at least three years following the date of acquisition.
  - ii. \_\_\_\_\_ Capitalization thresholds should be applied to individual assets rather than to groups of similar items (e.g., desks, tables).

- iii. In no case should a government establish a capitalization threshold of less than \$5,000 for any individual item.
- iv. Governments should exercise control over their non-capitalized capital assets by establishing and maintaining adequate internal control procedures at the department level.

## II. Categories of Assets

- a. **Infrastructure Assets** are long-lived assets that normally are stationary in nature and normally can be preserved to a significantly greater number of years than most capital assets. Examples include buildings, building improvements, parks and parks improvements. The Districts capitalization threshold for infrastructure assets is \$25,000. Fair value at the date of donation will be capitalized for donated infrastructure assets.
- b. **Capital Assets** are defined as tangible assets having an original unit cost of greater than or equal to the District's capitalization threshold of \$5,000, including ancillary costs, and with a useful life of at least three years. This capital asset threshold is applied to individual fixed assets rather than to groups or collections of fixed assets. Examples include vehicles, major equipment, and office furniture.
- c. **Capital Projects** will be capitalized as "construction in progress" until completed. Costs are reclassified from construction in progress to infrastructure assets upon the date of completion and acceptance of the project by the District Board of Directors. Direct costs, ancillary costs, and construction period interest are included in the capitalized amount.

## III. Responsibility

- a. Finance Department - The Finance Director and/or designee shall be responsible for the implementation of this policy.
  - i. Department Directors - Department Directors shall be responsible for overseeing capital assets and inventory within their areas of responsibility which include items such as computers, office equipment, and construction equipment.

## IV. Policy

- a. Threshold - The District will capitalize Capital Assets that cost \$5,000 or more and have an estimated useful life of at least three (3) years. The capitalization threshold for Infrastructure Assets shall be \$25,000. All land will be capitalized regardless of value.
- b. Assets acquired prior to June 30, 2022, and capitalized at a lower threshold will continue to be depreciated on the basis of past practice.
- c. Valuation - In accordance with generally accepted accounting principles, the District will value its capital and infrastructure assets at historical cost. Historical cost includes the cost or estimated cost at the time of acquisition, freight charges, installation, and site preparation charges, and the cost of any subsequent additions or improvements, excluding repairs. If a capital asset is donated to the District, the asset will be valued based on the fair market value at the time the asset is donated.

V. Capital, Infrastructure, and Construction in Progress Asset Inventory - As part of the annual financial audit, the Finance Department shall submit a capital asset report that includes Capital, Infrastructure, and Construction in Progress to the District's external auditor. This report will include at minimum the following information:

- a. Asset Classification
- b. Asset Description
- c. Date of acquisition
- d. Acquisition cost
- e. Estimated useful life
- f. Annual depreciation
- g. Accumulated depreciation

VI. Depreciation - The District will use the Straight-Line Method as its standard approach to depreciate capital assets.

VII. Estimated Useful Life - The following ranges are guidelines in setting estimated useful life for depreciating assets in years:

<u>Asset Category</u>	<u>Useful Life</u>
<u>Land</u>	<u>N/A</u>
<u>Buildings</u>	<u>25-50</u>
<u>Building Improvements</u>	<u>25-50</u>
<u>Parks</u>	<u>25-50</u>
<u>Park Improvements</u>	<u>25-50</u>
<u>Maintenance Equipment</u>	<u>3-12</u>
<u>Office Equipment</u>	<u>3-12</u>
<u>Vehicles</u>	<u>5-7</u>

a. Intangible assets - are capitalized at cost while contributed assets are recorded at fair market value at the time received.

b. Capital vs. Repair and Maintenance Expenses - The following criteria are the basis for distinguishing costs as either capital or repair and maintenance expense:

- i. With respect to improvements costs should be capitalized if the useful life of the asset is substantially extended, or the cost results in a substantial increase in the capacity or efficiency of the asset. Otherwise, the cost should be expensed as repair and maintenance. Costs, including those that merely preserve the useful life of an asset shall be expensed.

VIII. Inventory - For internal control purposes, the District may maintain an inventory listing of certain non-capital assets (controlled equipment) that do not meet the capitalization thresholds referenced above. Controlled equipment includes items that should be specifically accounted for and inventoried periodically due to the high resale value of the equipment and/or potential risk of theft. Controlled equipment may include items such as computers, construction equipment, and other office equipment.

a. Each Department Head is responsible for all controlled equipment within their areas of responsibility.

**IX. Impairment** - "Impairment" may include physical damage, enactment or approval of laws or regulations, changes in environmental factors, technical changes, or evidence of obsolescence, changes in the manner or duration of use of an asset, and construction stoppages. A fixed asset is impaired if both:

a. The decline in the ability to use an asset is large in magnitude (> \$100,000).

b. The event is outside the normal life cycle of a capital asset.

c. Assets that are deemed impaired and will no longer be of service to the District, will need to have their value adjusted based on the lower of their fair market value or their "book" value after depreciation.

d. In the case of theft, fire, flood, obsolescence, or other events regarding the usefulness of an asset, departments need to evaluate the usefulness or availability of that asset in the future. This may require outside assistance from an appraiser and/or the Finance Department to determine significance and applicability. Impairment must be conspicuous e.g., known to the District that a material event has occurred.

e. To measure the amount of impairment, the department will need to work with the Finance Department to determine if the above factors exist. If so, the portion of the asset to be adjusted would depend on the usefulness after repair (if applicable.) Usefulness assessments will need to be known as soon as possible. Other items that will need to be known include:

i. What is the estimated cost to restore the asset to full utility?

ii. What would be the current cost to replace the asset?

iii. What is the salvage value, if any?

b. If there is impairment, these items will be used to measure impairment given the facts of the occurrence. Once known, this information must be communicated to the Finance Director in writing so the asset value may be adjusted on the District's Asset Register.

c. Additionally, impairment losses should be reported in financial statements in accordance with the guidance provided by GASB. If not otherwise apparent from the face of the financial statements, the description, amount, and financial statement classification of impairment losses should be disclosed in the notes to the financial statements. If evidence is available to demonstrate that the impairment will be temporary, the capital asset should not be written down.

**X. Disposal and Transfer of District's Assets** - Surplus property is defined as any unnecessary, obsolete or excess supplies, materials, tools, vehicles, equipment or furniture that has been replaced or retired due to damage, age or change in District's standards and/or specifications. All assets that have reached the end of their useful life can be donated to a school or other non-profit agency, exchanged or traded for new goods, sold to any public or private person or entity; transferred from one department to another, recycled or disposed of as junk to a landfill or other appropriate waste removal facility. Surplus property may not be sold to any employee, friend, or family member (outside of public auction).

- a. Board of Director approval will be required for scrapping of surplus items with a value greater than \$5,000.
- b. If it is determined that the property sold as a unit has a value of less than \$5,000, the property may be disposed of in a manner approved by the General Manager or designee.
- c. If the appraised value of the surplus properties and the fixed assets, either sold as a unit or as single piece, has a market value of \$25,000 or more, the property must be disposed of in a competitive process i.e. competitive offers or advertisement to the general public. The Board Clerk is authorized to advertise such surplus property for sale to the general public.
- d. If the value of the surplus property requires Board approval, the Department shall prepare the Board Action Item of the itemized surplus property and present it to the Board for approval of the disposal. If the surplus property is being replaced, the Board Action Item authorizing the purchase of the replacement property may include the approval for the disposal of the itemized surplus property.
- e. Prior to the disposal of any surplus property, each department is required to obtain the General Manager's or designee's approval.
- f. Proceeds from the disposal of surplus property will be allocated to the District's General Fund unless the property was originally purchased with monies from a Special Revenue Fund, in which case, the proceeds will be returned to that specific fund.

#### XI. Glossary of Terms -

- a. Capital Assets: Capital assets include land, land improvements, buildings, building improvements, construction in progress, machinery and equipment, vehicles, infrastructure, irrigation, easements, intangible assets (such as computer software), and works of art and historical treasures.
- b. Capitalization: Capitalization of an asset occurs when the cost of the asset meets the "threshold" and the "estimated useful life" set in the organizational guidelines. Under capitalization, the cost of an item is initially recorded as an asset rather than an expense.
- c. Depreciation: Depreciation is the process of allocating the cost of property over the asset's estimated useful life rather than recognizing the cost as an expense in the year of acquisition.
- d. Estimated Useful Life: is based upon Governmental Accounting Standards Board recommendations unless a different life is determined by the General Manager, or his designee, based upon the facts and circumstances applicable to that asset or class of assets.

XII. **Effective** – This policy shall be applied retroactively to Fiscal Year 2022-23 for all capitalization activities occurring or recorded on and after June 30, 2022.

---

# Greater Vallejo Recreation District

## **POLICY MANUAL**

**POLICY TITLE:** Grant Application  
**POLICY NUMBER:** 3045

### Grants for Capital Development and Acquisition

The General Manager is authorized to submit applications for capital and acquisition projects. The Board of Directors will be notified when applications are being submitted, the purpose of the application and the time line for approval. Grants requiring an allocation or match shall be approved by the Board prior to submittal. The General Manager will inform the Board of Directors of the staff costs incurred in preparing grant and as part of grant match.

### Grants for Services and Programs

Prior approval by the Board of Directors is required for grants in this category. The funds are of a specific, limited duration. In presenting the item for Board approval, the General Manager shall address the following items:

1. The source of the funds
2. Any matching requirements. Amount and what restrictions are made with regards to providing both direct or indirect matching funds and the source of the matching funds.
3. Estimated amount of staff time and costs to submit grants
4. How the proposed grant supports the District's Mission
5. Who will be responsible for administration of the grant? The General Manager will address the specific position and how much that cost is expected to be. The issue of existing responsibilities, and how those responsibilities will be accomplished during the period of grant preparation, shall be included in the submittal to the Board of Directors.
6. How service and/or program will affect the budget over time. Will this require or dedicate a portion of General Fund budget and how much.

It is the District's intent to make sure that any staff employed as a result of a grant, either permanent or part time, are fully informed of the nature and context of the grant. Notification will be given that the grant is of a limited duration and that their employment is strictly dependent upon the availability of grant funds, and that there are no assurances of continuation past the ending date of the grant.

# Greater Vallejo Recreation District

## POLICY MANUAL

POLICY TITLE: Internal Grant Application Process

POLICY NUMBER: 3045

### Grants for Capital Development and Acquisition

The General Manager or their designee is authorized to submit grant applications for capital development and acquisitions, and recreation services, programs and events, projects. If the grant award is more than \$100,000, ~~the~~ Board of Directors will be notified of the purpose of the grant and timeline for approval ~~when applications are being before applications are submitted,~~ the purpose of the application and the time line for approval. Grants requiring an allocation or District match, regardless of the award amount, shall must be approved by the Board prior to application submittal. ~~The General Manager will inform the Board of Directors of the staff costs incurred in preparing grant and as part of grant match.~~

### Grants for Services and Programs

~~Prior approval by the Board of Directors is required for grants in this category. The funds are of a specific, limited duration.~~ In presenting the item for Board approval, the General Manager shall address the following items:

1. The source of the funds
2. ~~Any matching requirements. The a~~Amount and ~~what~~restrictions ~~are made with regards~~regard to providing both direct or indirect matching funds and the source of the matching funds.
3. ~~Estimated amount of staff time and~~ labor costs
- 3.4. ~~The costs to submit grants~~application fee amount
- 4.5. ~~How the proposed grant supports the District's M~~ission and strategic plan
5. ~~Who will be responsible for administration of the grant? The General Manager will address the specific position and how much that cost is expected to be. The issue of existing responsibilities, and how those responsibilities will be accomplished during the period of grant preparation, shall be included in the submittal to the Board of Directors.~~
6. ~~If How the project, service, event and/or program receiving the grant award will affect the budget require funding from over time. Will this require or dedicate a portion of General Fund budget and how much.~~the General Fund.

~~It is the District's intent to make sure that any staff employed~~Employees in positions funded 100% by grant money will be as a result of a grant, either permanent or part time, are fully informed of the nature and context of the grant. ~~Notification will be given that~~They will be notified that the grant is of a limited duration and ~~that~~ their employment is temporary and strictly dependent upon the availability of grant funds,; and that there are no ~~assurances-promises, express or implied, of continuation-continued employment past beyond~~ the ending date of the grant grant expiration date.-

---

# Greater Vallejo Recreation District

## POLICY MANUAL

POLICY TITLE: -Non-Profit Grant Process (NEW POLICY)

POLICY NUMBER: 3046

### Purpose

The purpose of this policy is to establish a competitive grant program that provides funding to eligible non-profit organizations for projects that support, enhance, and expand parks and recreation services within Greater Vallejo Recreation District, while also balancing the District's other financial needs, budget, and reserves. The goal is to improve public access to quality recreational opportunities, promote environmental stewardship, and foster community engagement. GVRD's historical and preferred method of assistance to 501(c)(3) nonprofit organizations is through in-kind contributions, and the Board of Directors shall prioritize this assistance before considering direct financial support.

### Objectives

- Support environmental conservation, restoration, and beautification of public parks.
- Increase recreational access and programming for underserved communities.
- Improve health and wellness through outdoor and physical activity programs.
- Foster community engagement and volunteerism in park projects.
- Promote equity, inclusion, and diversity in parks and recreation services.

### Eligibility Criteria

Eligible applicants must:

- Be a registered 501(c)(3) non-profit organization in good standing.
- Operate within or serve communities within the jurisdiction of the Greater Vallejo Recreation District.
- Demonstrate an established track record or capability in managing public service or recreation programs.
- Propose projects that directly benefit public parks, open spaces, or recreational services accessible to the general public.
- Collect data regarding their proposed programs (including number of participants and the residence of those participants) and as specified, provide presentations or reports to the Greater Vallejo Recreation District Board of Directors regarding their funded activities.

### Grant Categories

Funding may be awarded in the following categories:

1. **Capital Improvement Projects** — Infrastructure upgrades, ADA Americans with Disability Act compliance, playground installation, trail development, etc.
- 2.1. **Program Development** – Youth sports leagues, senior fitness, nature education, arts in the parks, etc.
- 3.2. **Environmental Projects** – Habitat restoration, community gardens, native landscaping, litter abatement.

4.3. Community Engagement & Volunteerism – Events, cleanup days, volunteer coordination.

5.4. Equity & Inclusion Initiatives – Programs or improvements that promote accessibility and inclusion for underserved populations.

## Grant Funding

- **District Budget and Reserves:** Before the Board of Directors allocates any potential grant funding for nonprofit community organizations, the Board of Directors must satisfy its other budget priorities and determine that all District reserves are adequately funded.
- **Annual Budget:** The total amount of grant funding for the fiscal year shall be determined during the annual ~~To be reviewed each year during the~~ budget adoption process and to determine a specific need, or needs, for the next fiscal year. ~~There is no guarantee that funds will be available, or the amount of funds to be available, year to year as there are other priorities that shall may take precedence.~~
- **Grant Amounts:** To be ~~determined set after~~ the Board of Directors has found that other budget priorities have been satisfied, reserves are adequately funded, and it has set a total amount of grant funding available during the annual budget adoption process based on budget, priorities, and board adoption. In determining amounts of individual grants, the Board of Directors shall prioritize broad distribution to multiple community organizations in the Vallejo community. ~~Minimum \$TBD – Maximum \$TBD per grant. -All grants must be competitive. what does that mean?~~
- **Matching Funds:** Not required but encouraged. Proposals with matching funds or in-kind support may be given additional consideration.

## Application Process

1. **Call for Proposals:** Issued annually after Board of Directors has ~~decided determined~~ if there is money, and funding and has what the needs are determined the needs its allocation of available grant funding during the annual budget adoption process. Before issuing any call for proposals, the Board of Directors shall determine programming needs and priorities. ~~The actual date will be determined after review. The District shall issue no more than one Call for Proposals during each fiscal year.~~
2. **Application Deadline:** ~~To be determined.~~ Will be included in the Call for Proposals.
3. **Application Requirements:**
  - Project narrative
  - Budget breakdown
  - Timeline
  - Evidence of community need or support
  - Proof of 501(c)(3) non-profit status
  - ~~Past experience~~ Experience and qualifications
4. ~~Submission:~~ Online portal or email to [Grant Program Contact].

## Evaluation Criteria

Applications will be reviewed by a Grant Review Committee (GRC), which is comprised of GVRD staff, and scored based on:

- Relevance to ~~grant objectives~~ the District's programming needs and priorities identified by the Board of Directors
- ~~Equitable c~~Community impact ~~and equity~~
- Feasibility and readiness
- Budget clarity and cost-effectiveness
- Organizational capacity
- Sustainability of project outcomes
- Ability to collect data regarding participants and benefits to the community

### Approval Process

After ~~the GRC staff~~ has scored the ~~applications, applicants~~ the ranked grant request applications. ~~The list~~ will go to the full ~~board for review and a vote~~ Board of Directors for approval.

### **Award and Reporting**

- **Notification:** Applicants will be notified of award status by ~~Date to Be Determined~~ the date included in the Call for Proposals.
- **Disbursement:** Funds ~~are will be~~ disbursed in one or more installments based on project milestones. Funds will not be disbursed before the project begins. If pre-funding is part of the grant, ~~then~~ the pre-funding will not exceed 20% of the total grant.
- **Reporting Requirements:**
  - Mid-project progress report
  - Final project report (due within 60 days of completion) to the ~~GVRD b~~ Board of d Directors at a regularly scheduled board meeting.
  - Documentation of expenditures. Any grant funds provided in excess of documented expenditures shall be returned to the District and used for future grants.
  - Data regarding participants and users, including information regarding their residence
  - Photos and ~~public~~ community impact summary

### Policy Review and Grant Oversight

~~This grant policy shall be reviewed every three years by the GVRD Policy and Personnel Committee Grant Review Committee to assess effectiveness, equity, and community impact. Revisions may be made as needed to improve administration and outcomes.~~

**Grant Program Administrator** will be determined by ~~which the~~ Department ~~that w~~ will oversee the grant. For example, ~~the~~ Recreation Department will administer grant funding for recreation programming. Parks and Facilities will administer for ~~capital improvements funding~~ programming involving District facilities.

---

# Greater Vallejo Recreation District

## **POLICY MANUAL**

**POLICY TITLE:** Financial Assistance  
**POLICY NUMBER:** 1050

The Board of Directors desires that financial assistance be made available to low income families residing within the GVRD boundaries who wish to participate in District sponsored recreation programs and who qualify based on established District criteria. The assistance will be in the form of a discount on the fee(s) charged for the programs. The total annual amount allocated for this program and the maximum financial assistance amount will be determined during the budget process.

Leisure Service Contract instructor classes offered through the District shall not be included in the financial assistance program.

The recipient shall be responsible for 50% of the participant fee and any balance over the maximum financial assistance amount established during the budget process.

Requests for financial assistance will only be processed at the District's main office.

---

# Greater Vallejo Recreation District

## Rules and Regulations

**POLICY NUMBER/TITLE:** 1050 Financial Assistance  
**Rule and Regulation:** RR1050

Each year the Recreation Staff will review the report of financial assistance, which identifies the persons, programs and amounts allocated for the previous year, and will recommend an amount to be allocated as part of the budget process. The budgeted amount may be supplemented by grants or donations from within or outside the District, but must be monitored to insure the budgeted (and supplemented) amount is not exceeded. Finance Department procedures will be followed for the tracking and accounting of the financial assistance discounts, and the main office will be notified when the allocated amount has been reached.

In order to qualify for financial assistance for District programming the following criteria must be satisfied:

- The GVRD Financial Assistance Application must be completed; the parent or legal guardian must complete the form if applying for a child;
- The applicant must provide a valid photo ID and documentation of one of the following:
  - Partnership Health Plan of California coverage;
  - County Medical Services Program;
  - Food Stamp/Cash Aid EBT card;
  - Proof of participation in the WIC (Women Infant & Children) program;
  - CalWORKS documentation;
  - Free or reduced lunch letter from Vallejo City Unified School District.

The financial assistance application is to be completed and proof of eligibility provided at the time the applicant is signing up for the District program. The client will then be registered in the District's registration system with the discount noted. The application and proof of eligibility must be provided once each fiscal year. The main office will track the amount granted per applicant for the fiscal year to insure the maximum allowable is not exceeded.

**Comprehensive Youth Scholarship Program Comparison Matrix**

<b>Agency / City</b>	<b>Program Name</b>	<b>Eligibility</b>	<b>Age Range</b>	<b>Max Funding / Child</b>	<b>Programs Covered</b>	<b>Application Process</b>	<b>Renewal</b>	<b>Languages</b>	<b>Funding Source</b>	<b>Program Limitations</b>
<b>GVRD (Vallejo)</b>	Youth Scholarship Program	Income-based (CAL Fresh, EBT, Medicare)	5–17	\$300/year	Youth camps, aquatics, enrichment	In-person or online	Annual	English only	General Fund, donations, Measure K	Limited funding, limited outreach
<b>Fairfield</b>	Youth Assistance Program	Income-based or school program participation	Up to 17	Up to \$200/year	Sports, camps, arts	Online or in-person	Annual	English, Spanish	General Fund, grants, donations	Funding may not meet demand; 2–4, week review period
<b>Vacaville</b>	Youth Recreation Scholarship	Income-based; documentation required	Up to 18	Up to \$300/year	Camps, enrichment, sports	Online or in-person	Annual or per season	Multilingual	City fund, corporate donors	Per-household limits; documentation needed each cycle
<b>Dixon</b>	Youth Activity Assistance	Income-based; Dixon residents only	5–17	\$150/year	Camps, sports, aquatics	In-person only	Per program	English only	General Fund	Very small pool; first-come-first-served; low awareness
<b>Oakland</b>	Golden Ticket / Fee Waiver	HUD-based income criteria	5–18	Up to 100% coverage	All youth rec programs	Online portal	Annual	English, Spanish, Chinese	Measure HH tax, CDBG, donors	Application deadlines; demand often exceeds funds

Agency / City	Program Name	Eligibility	Age Range	Max Funding / Child	Programs Covered	Application Process	Renewal	Languages	Funding Source	Program Limitations
<b>Berkeley</b>	Youth Recreation Scholarship	Free/reduced lunch or income-based	Up to 18	100% of cost	Camps, enrichment, sports	Online	Annual	English, Spanish	City budget, state and local grants	Limited funds per year; annual reapplication required
<b>San Jose</b>	Recreation Fee Assistance Program	Federal poverty guidelines	Up to 18	Up to 100% (tiered)	All youth programs	Online + in-person	Annual or seasonal	English, Spanish, Tagalog, Vietnamese	City budget, grants, partnerships	Limited to San Jose residents; doc-heavy process
<b>HARD (Hayward Area)</b>	Fee Assistance Program	Low-income (proof required)	5–17	Up to \$250/year	Camps, aquatics, enrichment	Online or in-person	Annual	English, Spanish	General Fund, Measure F1 (Bond), grants	Must live within HARD boundaries; per-child cap

**Summary and Notes:**

- HARD, though similar in size to GVRD, offers higher funding, an online application, and bilingual access.
- Oakland, San Jose, and Berkeley lead in tiered or full-coverage programs, digital access, and multilingual services.
- Vacaville remains the most competitive city within Solano County.
- Berkeley has deeply integrated scholarship programs with school districts and community partners, enhancing reach and efficiency.
- Vacaville performs strongly despite its smaller size by offering relatively high per-child funding and a digital application.
- Dixon and GVRD are the most limited, especially in access and funding.

**Recommendations:**

1. Implement an Online, Multilingual Application Platform
  - Offer digital application in English, Spanish, Tagalog, and possibly Chinese.
  - Model after San Jose or Oakland's platforms.
2. Increase Scholarship Amount or Offer Tiered Funding
  - Move toward covering full or majority cost for lowest-income brackets.
  - Use a tiered system like San Francisco, offering 25%, 50%, 75%, or 100% based on income.
3. Strengthen Partnerships with Schools and CBOs
  - Work with Vallejo Unified School District to share information with qualifying families.
  - Collaborate with nonprofits to identify families and provide additional funding (similar to Berkeley's approach).
4. Use Flexible Verification Methods
  - Accept documentation like free/reduced lunch approval, Medi-Cal, or CalFresh, instead of tax returns.
  - Streamline approval by modeling Fairfield or Berkeley's process.
5. Enhance Community Outreach and Equity
  - Launch targeted outreach campaigns in underserved neighborhoods.
  - Provide printed and digital materials in multiple languages.
  - Use social media and trusted local influencers (like teachers, church leaders, or youth mentors).
6. Establish a Scholarship Advisory Committee
  - Include local parents, educators, and youth advocates.
  - Guide equity, transparency, and inclusion within the scholarship program.
7. Program Upgrade and Renaming
  - "Access for All Youth Fund" to modernize program.
  - Create Scholarship Outreach Plan.

**Pros and Cons of Current Program:**

Pros	Cons
Provides basic access to underserved youth	Paper-based application slows access
Covers a wide range of youth activities	Low scholarship cap per child limits participation
Simple eligibility requirement	Marketing is weak; low community awareness
No waitlist—first-come, first-served	No bilingual support or online application portal
Uses General Fund and Measure K	

**Penalties:**

- Most cities penalize repeat no-shows or misuse of scholarship funds by limiting future eligibility.
- GVRD does not currently have a published formal penalty policy, but internal tracking and denial of repeat awards for no-shows or inactivity apply.
- Stronger enforcement models (like San Jose and Oakland) include formal suspension from the program for multiple violations or false documentation.