

**HBX EXECUTIVE BOARD FINANCE COMMITTEE
FINANCIAL RESERVE RECOMMENDATION**

May 11, 2022

Background:

The HBX Executive Board approved an HBX Reserve Fund Policy on April 6, 2016. It calls for 6-9 months of the previous year's Council-approved budget for funding operating reserves and up to \$20 million for funding capital reserves. The HBX Reserve Fund Policy requires full funding of the operating reserve prior to funding the capital reserve. Pursuant to that policy, the HBX Executive Board first approved funding the capital reserve at a level of \$5 million on January 8, 2018, after the operating reserve was 100% funded.

Recommendation:

The HBX Board Finance Committee recommends increasing the capital reserve amount by the inflation adjusted amount for \$5 million. That amount is \$800,000. Thus, the capital reserve amount would be \$5.8 million.

RESERVE FUND	CURRENT RESERVE FUNDING (APPROVED BY THE BOARD IN 2018)	ADDITIONAL FUNDING RECOMMENDATION	TOTAL RESERVE FUND
Capital Reserve	\$5,000,000.00	\$800,000	\$5,800,000