

COB - BOSAIR FORM

01/30/2026 7:58 AM (MST)

Submitted by Michele.Milensky@pima.gov



BOARD OF SUPERVISORS AGENDA ITEM REPORT (BOSAIR)

All fields are required. Enter N/A if not applicable. For number fields, enter 0 if not applicable.

Award Type:	Agenda Item
Is a Board Meeting Date Requested?	Yes
Requested Board Meeting Date:	02/17/2026
Project Title / Description:	Board of Supervisors Policy for Regional Flood Control District Establishment and Use of Reserves.

Agenda Item Report

Introduction / Background:	The policy is being established to ensure that the district maintains adequate fund balance and cash reserves to provide sufficient working capital throughout the year including, supporting both operational and capital needs. It will also ensure a stable and predictable tax rate structure capable of withstanding significant economic downturns and provide one-time funds for unforeseen expenditures related to emergencies accessible with Board of Supervisors' approval.
Discussion:	The policy outlines the reserve requirements, allowable emergency expenditures, the tax rate structure and permitted use of reserves. It establishes a fund balance reserve equal to three months of the previous year's actual operating expenditures and a cash reserve equal to three months of the current year's budgeted operating expenditures. The purpose of the reserve is to provide fiscal stability and not serve as a funding source for new programs or projects. Any use of reserves must include a plan to restore the fund balance and cash reserves to the minimum required balance within three years.
Conclusion:	The proposed policy establishes clear guidelines for the Regional Flood Control District's reserve levels and use, ensuring sufficient financial stability to support ongoing operations, capital needs, and emergency responses while maintaining a predictable tax rate structure. By defining minimum reserve requirements and requiring a restoration plan for any reserve use, the policy promotes long-term fiscal responsibility and strengthens the District's ability to withstand economic uncertainty.
Recommendation:	Staff recommends the Board approve this policy to ensure sufficient reserves in the Regional Flood Control District and a stable and predictable tax rate.
Fiscal Impact:	There is no fiscal impact for the establishment of the policy. The district will request Board consideration of changes to the secondary tax rate as part of the annual budget process.

Support of Prosperity Initiative: N/A

Provide information that explains how this activity supports the selected Prosperity Initiative N/A

Board of Supervisor District:

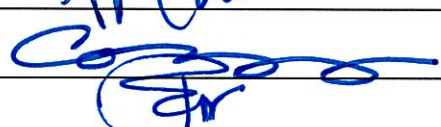
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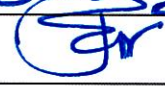
Department: Finance

Name: Art Cuaron

Telephone: (520)724-3138

Department Director Signature:  Date: 1-30-2026

Deputy County Administrator Signature:  Date: 2/3/2026

County Administrator Signature:  Date: 2/3/2026



PIMA COUNTY, ARIZONA BOARD OF SUPERVISORS POLICY

Subject: Regional Flood Control District Establishment and Use of Reserves	Policy Number	Page
		1 of 3

Purpose

To establish a policy governing the maintenance and use of reserve accounts for the Regional Flood Control District Fund in Pima County. This policy defines target fund balance and cash reserve levels, the methodology for maintaining those levels, and the permissible uses of reserves.

Background

This policy ensures that the Regional Flood Control District Fund maintains sufficient fund balance and cash reserves to:

- Provide adequate working capital to meet cash flow needs throughout the fiscal year, including funding Regional Flood Control District operations and capital requirements authorized by the Board of Supervisors, County Administration, or through contingency funds pursuant to Board of Supervisors Policy D 22.15, Use of Contingency.
- Support a stable and predictable flood control tax rate capable of withstanding economic downturns.
- Provide one-time funding for unforeseen emergency expenditures, subject to approval by the Board of Supervisors.

The Department of Finance and Risk Management conducts an annual review of the Regional Flood Control District Fund's financial condition. This analysis considers operational requirements, capital needs, and the adequacy of revenues generated by existing tax rates to determine whether adjustments are necessary.

Definitions

Fund Balance Reserve: The required balance in the Regional Flood Control District Fund, calculated as the difference between net operating income and operating expenditures, including transfers.

Cash Balance Reserve: The required cash balance in the Regional Flood Control District Fund.



PIMA COUNTY, ARIZONA BOARD OF SUPERVISORS POLICY

Subject: Regional Flood Control District Establishment and Use of Reserves	Policy Number	Page
		2 of 3

Policy

A. Maintenance of Fund Balance and Cash Reserves

1. Reserve Requirements

a. To ensure the Regional Flood Control District maintains adequate reserves, the following minimum levels shall be maintained:

- A fund balance reserve equal to three months of the prior fiscal year's actual operating expenditures.
- A cash balance reserve equal to three months of the current fiscal year's budgeted operating expenditures.

2. Emergency Expenditures

Emergency expenditures that cannot be covered through reductions in operating expenses may be addressed through the use of reserve funds. Requests shall be submitted to County Administration for review and, if appropriate, forwarded to the Board of Supervisors for consideration.

3. Tax Rate Structure

Flood control tax rates shall be structured to support the reserve requirements established in this policy.

4. Authorized Uses of Reserves

The Board of Supervisors may approve the use of reserves for the exclusive benefit of the Regional Flood Control District for the following purposes:

- Operating emergencies, including significant, unforeseen events such as floods, fires, earthquakes, civil unrest, terrorist acts, pandemics, or similar catastrophic circumstances, when expenditures are necessary to protect public safety or Regional Flood Control District property.
- Unanticipated budgetary shortfalls affecting Regional Flood Control District operations or capital obligations. The Regional Flood Control District is the only department funded by a secondary property tax that relies on this fund throughout the fiscal year to support both operational and encumbered capital expenditures.



PIMA COUNTY, ARIZONA BOARD OF SUPERVISORS POLICY

Subject: Regional Flood Control District Establishment and Use of Reserves	Policy Number	Page
		3 of 3

Reserves are intended to provide fiscal stability and are not a funding source for new or ongoing programs or projects. Use of reserves shall not be intended to offset structural or recurring operating deficits.

Any use of reserves must include a plan to restore fund balance and cash reserves to the minimum required levels within three fiscal years. Restoration may not exceed three years without express approval of the Board of Supervisors. The department shall make reasonable efforts to replenish reserves as quickly as practicable.

5. Monitoring and Reporting

Flood Control Administration shall review the financial condition of the fund at least semiannually and make recommendations to County Administration as appropriate.