

RESOLUTION 2023-017

RESOLUTION OF THE CITY COUNCIL OF THE CITY OF SAN PABLO APPROVING GENERAL FUND DESIGNATED RESERVES (GFDR) TOTAL FUND BALANCE ALLOCATION OF \$13,238,649 (GFDR AMENDMENT #2) FOR FISCAL YEAR 2022-23, EFFECTIVE FEBRUARY 21, 2023

WHEREAS, this item does not fall within a specific adopted policy priority within the approved FY 2021-23 City Council Priority Workplan but is necessary to support the funding needed for projects and programs contained within the Workplan; and

WHEREAS, this is not a project as defined by CEQA as a budget or financing mechanism pursuant to 14 Cal. Code of Regulations section 15378(b); and

WHEREAS, in order to protect the fiscal solvency of the City and to achieve greater fiscal resiliency, the City Council took the important step of establishing the Fiscal Resiliency Reserve Policy (Policy) on October 21, 2013 (Resolution 2013-159), which was subsequently revised on June 20, 2016 (Resolution 2016-218). The Policy established new reserves and determined to fund each by formula (the Catastrophic Reserve, Budget Stabilization Reserve (BSR), and City Manager's Contingency Account) or by a set amount within the General Fund Designated Reserve and Future Capital Projects Reserve (collectively the "GFDR" or Designated Reserves). The purpose of the reserves was to protect against natural disasters, unforeseen legal expenses or manmade economic uncertainties and to set aside funding for other future known, but as of yet, unbudgeted onetime expenses to meet City fiscal and operational needs; and

WHEREAS, for the FY 2021-22 and FY 2022-23 periods, the City Manager last presented the FY 2021-22 GFDR Fund Balance Allocation Amendments totaling \$8,859,272 to the Budget Fiscal and Legislative Standing Committee (BFLSC), which recommended its subsequent approval to the City Council on December 20, 2021 via Resolution 2021-156; and

WHEREAS, since December 20, 2021, the City Council formally appropriated via adopted Resolutions, a total of \$8,126,993 in total expenses from the GFDR Fund Balance through December 31, 2022, with a remaining balance of \$732,279; and

WHEREAS, on January 11, 2023, the BFLSC was presented all new GFDR Allocations and Transfers (GFDR Amendment #1) totaling \$6,759,879 identified in the Annual Comprehensive Financial Report (ACFR)/Memorandum of Internal Control and Required Communications (MOIC) for period ending June 30, 2022 approved by City Council minute action on December 19, 2022; and were included into the FY 2022-23 GFDR Fund Balance as of January 1, 2023, as follows:

ACFR/MOIC: FY 2022-23 GFDR Fund Balance Allocations/Transfers for period ending 06/30/22

- 1. A total of \$3,290,694 transferred from Fund #320**
 - 2. A total of \$1,472,503 in Unearned Revenue from Rumrill Sports Park NMTC Disposition**
 - 3. A total of \$1,996,682 from State of CA Dept of Finance Payment Reimbursement to City**
- Total FY 2022-23 GFDR Allocations/Transfers: \$6,759,879**

WHEREAS, effective January 1, 2023, with the remaining current GFDR balance of \$732,279 noted above, and with the new FY 2022-23 ACFR/MOIC allocations and transfers in the amount of \$6,759,879, the combined figures results in a cumulative new FY 2022-23 GFDR Fund Balance of \$7,492,138 available for formal allocation, and reflected below for future City Council appropriation by adopted Resolution; and

WHEREAS, following BFLSC review on January 11, 2023, all proposed FY 2022-23 GFDR Fund Balance Allocations (Total Funds) were recommended unanimously for approval to the City Council which was adopted via Resolution 2023-004 on January 17, 2023; and

WHEREAS, on February 8, 2023, the BFLSC were presented a proposed GFDR Amendment #2 Update to the FY 2022-23 GFDR Fund Balance, with a total of \$5,746,511 to be allocated from Unallocated Revenues received during FY 2022-23 period to date. These one-time Unallocated Revenues materialized after September 1, 2023 due to grant reimbursements being received late and untimely from granting entities under previous adopted agreement with the City which were due and payable during FY 2021-22 period; and

WHEREAS, since these are considered Unallocated Revenues, and following completion of the City's ACFR for period ending June 30, 2023 on December 19, 2023 via minute action, one-time revenue receivables which have incurred in the City's GF Balance require allocation and transfer into the FY 2022-23 GFDR Fund Balance for immediate operational and project needs for future one-time appropriation by City Council Action via adopted Resolution; and

WHEREAS, the Total Unallocated Revenues of \$5,746,511 are allocated into the existing balance of the FY 2022-23 GFDR Fund Balance, with a total of \$5.0M allocated to Future Capital Projects and Professional Services Reserves/Police Department HQ/RTC Project Shortfall (One-Time Funding) line item, and a total of \$746,511 allocated to for Major Operating Contingencies Reserves/City Facilities Maintenance & One-Time Improvements line item under Future Capital Projects and Professional Services Reserves/Police Department HQ/RTC Project Shortfall (One-Time Funding) line item for future appropriation by the City Council via adopted Resolution, as follows:

Proposed Amendment #2 – FY 2022-23 GFDR Fund Balance Updated Allocation:

Previous FY 2022-23 GFDR Fund Balance:	\$7,492,138	(Eff. January 1, 2023)
FY 2022-23 Unallocated Revenues (since 09/01/23):	+ \$5,746,511	(BFLSC Review 02/08)
Total FY 2022-23 GFDR Fund Balance (REVISED):	\$13,238,649	

DESCRIPTION	GFDR Approved Jan 17th	GFDR Proposed Addition	Total
FY 22-23 Carryover Balance	\$ 732,279	\$ -	\$ 732,279
ACFR Audited Fund Balance	\$ 6,759,859	\$ -	\$ 6,759,859
Grant Reimbursement	\$ -	\$ 5,746,511	\$ 5,746,511
Total GFDR Balance	\$ 7,492,138	\$ 5,746,511	\$ 13,238,649
GFDR FUNDING USES			
Major Operating Contingencies			
City Facility Maintenance & One-Time Improvements	\$ 732,279	\$ 746,511	\$ 1,478,790
FY 22-23 Budget Restoration	\$ 1,045,000		\$ 1,045,000
Subtotal - Operating Contingencies	\$ 1,777,279	\$ 746,511	\$ 2,523,790
Future Capital Projects & Professional Services			
ADA Compliance/Transition Plan (City-Wide)	\$ 100,000		\$ 100,000
Drainage NPDES MRP Compliance Facilities Improvements	\$ 100,000		\$ 100,000
Hillside Stabilization & Geo Tech Studies	\$ 100,000		\$ 100,000
New PD RTC Project Funding Shortfall	\$ 5,414,859	\$ 5,000,000	\$ 10,414,859
Subtotal - Capital Projects & Prof Services	\$ 5,714,859	\$ 5,000,000	\$ 10,714,859
Total GFDR Uses & Allocations	\$ 7,492,138	\$ 5,746,511	\$ 13,238,649
NET AVAILABLE GFDR	\$ -	\$ -	\$ -

NOW, THEREFORE, BE IT RESOLVED that the City Council of the City of San Pablo does hereby authorize a FY 2022-23 GFDR Total Fund Balance Allocation of \$13,238,649 as set forth above, effective February 21, 2023.

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ADOPTED this 21st day of February, 2023, by the following votes:

AYES:	COUNCILMEMBERS:	Xavier, Pabon-Alvarado, Cruz, Ponce and Pineda
NOES:	COUNCILMEMBERS:	None
ABSENT:	COUNCILMEMBERS:	None
ABSTAIN:	COUNCILMEMBERS:	None

ATTEST:	APPROVED:
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/s/ Dorothy Gantt
Dorothy Gantt, City Clerk

/s/ Abel Pineda
Abel Pineda, Mayor