

## RESOLUTION 2019-017

### RESOLUTION OF THE CITY COUNCIL OF THE CITY OF SAN PABLO ESTABLISHING ALLOCATIONS FOR THE GENERAL FUND DESIGNATED RESERVES AT \$10,338,114 FOR FISCAL YEAR 2018/19 (MID-YEAR) PER ADOPTED FISCAL RESILIENCY RESERVE POLICY

WHEREAS, *Budget Spending Controls* and *General Fund Reserves Protection / Fund Balance* are adopted policy items under the FY 2018-21 Council Priority Workplan, effective November 1, 2017;

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);

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* on October 21, 2013 (Resolution 2013-159), which policy established new reserves and determined to fund each by formula (the Catastrophic Reserve, Budget Stabilization Reserve, 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);

WHEREAS, the purpose of the reserves was to protect against natural disasters or manmade economic calamities and to set aside funding for other future known, but as of yet, unbudgeted one-time expenses;

WHEREAS, On January 16, 2018, City Council approved the FY 2017/18 Designated Reserves at \$9,525,937, and since then, City Council has appropriated \$3,725,454, leaving a remaining balance of \$5,800,483 as of December 31, 2018;

WHEREAS, the 2018 Comprehensive Annual Financial Report (CAFR), identified an increase in audited fund balance of \$2,868,525. Additionally, the City has received reimbursement from CalTrans for work completed last year in the amount of \$1,856,606. Together, there is now \$4,725,131 which is available for assignment within the FY 2018/19 Designated Reserves as follows:

• FY 2017/18 GFDR Beginning Balance	\$ 9,525,937
• Expenditures & Appropriations since 1/16/18	<u>(\$ 3,725,454 )</u>
• Year to Date Fund Balance (12/31/18)	\$ 5,800,483
• Year-end Audited Fund Balance Available (6/30/18)	<u>\$ 4,725,131</u>
• <b>FY 2018/19 GFDR Available Balance</b>	<b>\$ 10,338,114</b>

WHEREAS, on January 28, 2019, the Budget, Fiscal & Legislative Standing Committee reviewed the year-to-date expenditures through December 31, 2018 from the FY 2018/19 General Fund Designated Reserves, as well as the audited fund balance figure from the 2018 CAFR and grant reimbursement available for assignment to the GFDR. The Standing Committee took action to recommend approval by the City Council as proposed below; and

WHEREAS, this action does not involve the actual expenditure of funds or the creation of new budgets, but merely designates funds from the current FY 2018/19 fund balance for potential future appropriation by the City Council to an approved capital improvement project or departmental expenditure account, thus demonstrating the City's continued commitment to prudent financial management and will assist the City in planning for expected costs in the future.

NOW, THEREFORE, BE IT RESOLVED that the City Council of the City of San Pablo does hereby approve the FY 2018/19 Mid-year General Fund Designated Reserves in the amount of \$10,338,114 with the line-item allocations detailed in the following table:

<b>FY 2018/19 GFDR</b>		<b>FY2018/19</b>
<i><b>PROPOSED for February 4, 2019 City Council Approval</b></i>		
<b><u>Major Operating Contingencies (Revised)</u></b>		
Compensated Employee Absences		\$0
CalPERS Method 5 Policy Smoothing Impacts		\$0
City Facility Maintenance & One-Time Improvements		\$0
SPEDC Operating (FY1/19) & Measure Q (FY18/19) Subsidy		\$562,500
IT Systems Maintenance, Replacement, CAD/RMS, Surveillance Cameras		\$650,000
Vehicle and Large Equipment Replacement		\$100,000
Succession Planning & HR Legal Issues		\$0
	<b><u>Sub-Total</u></b>	<b><u>\$1,312,500</u></b>
<b><u>Future Capital Projects &amp; Professional Services Reserves</u></b>		
ADA Compliance & Improvement Projects (City-wide)		\$100,000
City-owned Medical Office Bldg Improvements (2023 Vale Road)		\$1,300,000
Drainage & NPDES MRP Compliance Facilities Improvements		\$300,000
Fire/EMS Services FS#70 Project with CCCFPD		\$4,500,000
Hillside Stabilization & Geo-Tech Studies/Improvements		\$176,599
Casino Revenue Sustainability Reserve		\$0
PW Streetlight Photovoltaic Master Plan Project - Rumrill		\$600,000
Measure Q Backfill		\$0
Fordham & El Portal Stabilization/Repairs		\$100,483
Soils storage - Wildcat Creek Trail project		\$500,000
Public Fiber/Smart Cell Technology		\$1,000,000
PW Projects Grant Match Funds		\$448,532
	<b><u>Sub-Total</u></b>	<b><u>\$9,025,614</u></b>
	<b>Total Allocations</b>	<b>\$10,338,114</b>

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ADOPTED this 4<sup>th</sup> day of February, 2019, by the following vote:

AYES: COUNCILMEMBERS:

Pineda, Xavier, Pabon-Alvarado,  
Cruz and Kinney

NOES: COUNCILMEMBERS:

None

ABSENT: COUNCILMEMBERS:

None

ABSTAIN: COUNCILMEMBERS:

None

ATTEST:

APPROVED:

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Patricia Ponce, City Clerk

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Rich Kinney, Mayor