

RESOLUTION 2018-107

RESOLUTION OF THE CITY COUNCIL OF THE CITY OF SAN PABLO APPROVING FY 2017/18 GENERAL FUND DESIGNATED RESERVES AMENDMENT #4 AT \$5,800,483 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, upon completion of the FY 2017 audit, City Council established the GFDR at \$9,525,937 on January 16, 2018 (Resolution 2018-003), which comprised a year-to-date fund balance of \$6,525,937 as of December 31, 2016, plus an additional \$3,000,000 available as a result of the FY 2017 Audit;

WHEREAS, the GFDR has been amended multiple times since then, most recently on May 21, 2018 by Resolution 2018-067 when the amount was set at \$6,508,483. A total of \$708,000 has been appropriated since then, leaving a remaining balance of \$5,800,483 as follows:

• FY 2017/18 Amendment #4 GFDR Begin Balance	\$ 6,508,483
• Appropriations from 5/21/18 - 6/30/18	<u>(\$ 708,000)</u>
• GFDR Balance as of 6/30/18	\$ 5,800,483

WHEREAS, Staff proposes GFDR Amendment #4, a slight change to the prior adopted, Amendment #3. Previously, Measure Q funding was split between three entities (i.e. the EDC, Police Department and Community Services), but when Childhood Obesity Prevention was added to the Measure Q funding split, it had the net effect of reducing funding to the other three programs. Therefore, to allow scheduled programming to continue, staff determined that it was necessary to make the three entities whole in their funding;

WHEREAS, Staff proposes to carve \$187,500 out of existing allocations to add \$62,500 each to the EDC, Police Department and Community Services Measure Q funding, which allocation would come from earmarks for improvements to the City-owned Medical Office Building (an allocation decrease from \$1 million to \$837,983) and from the City-wide Annexation, Economic Development, Telecom & TOD Projects line (a decrease from \$25,000 to \$0);

WHEREAS, Staff presented GFDR Amendment #4 to the Budget, Fiscal & Legislative Standing Committee on July 24, 2018, which supported the amendment and recommended forwarding to City Council for approval; and

WHEREAS, this action does not involve the expenditure of funds or the creation of new budgets, but merely designates earmarked funds from the current FY 2017/18 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 assisting 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 2017/18 GFDR Amendment #4 with the following line-item allocations detailed below:

FY 2018/19 GFDR		FY 2018/19
<i>Proposed for August 6, 2018 City Council Approval</i>		
Major Operating Contingencies (Revised)		
Compensated Employee Absences		\$0
CalPERS Method 5 Policy Smoothing Impacts (2017-19)		\$0
City Facility Maintenance & One-Time Improvements		\$0
SPEDC Operating (FY16/17) & Measure Q (FY17/18) Subsidy		\$0
IT Systems Maintenance, Replacement, CAD/RMS, Surveillance Camera		\$25,000
Vehicle and Large Equipment Replacement		\$0
Succession Planning & HR Legal Issues		\$0
FY 2018/19 GF Budget Supplemental Revenue (New)		\$0
PD Traffic Enforcement Program (Motorcycles, Training, Equipment)		\$0
Sub-Total		\$25,000
Future Capital Projects & Professional Services Reserves		
ADA Compliance & Improvement Projects (City-wide)		\$50,000
City-owned Medical Office Leased		\$837,983
City-wide Annexation, Economic Development, Telecom & TOD Projects		\$0
City-wide Park Improvement Projects		\$0
Drainage & NPDES MRP Compliance Facilities Improvements		\$100,000
Fire/EMS Services FS#70 Project with CCCFPD		\$4,500,000
Hillside Stabilization & Geo-Tech Studies/Improvements		\$100,000
Plaza San Pablo & Civic and Infrastructure Projects		\$0
Casino Revenue Sustainability Reserve		\$0
PW Streetlight Photovoltaic Master Plan Project (Phase I) New		\$0
Measure Q Backfill (to make EDC, PD & CS whole: \$62,500 each)		\$187,500
Sub-Total		\$5,775,483
Total Allocations Available		\$5,800,483

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ADOPTED this 6th day of August, 2018, by the following vote:

AYES:	COUNCILMEMBERS:	Valdez, Cruz, Kinney, Morris and Calloway
NOES:	COUNCILMEMBERS:	None
ABSENT:	COUNCILMEMBERS:	None
ABSTAIN:	COUNCILMEMBERS:	None

ATTEST:

/s/ Elizabeth Pabon-Alvarado
Elizabeth Pabon-Alvarado, City Clerk

AYES:	COUNCILMEMBERS:	Valdez, Cruz, Kinney, Morris and Calloway
NOES:	COUNCILMEMBERS:	None
ABSENT:	COUNCILMEMBERS:	None
ABSTAIN:	COUNCILMEMBERS:	None

APPROVED:

/s/ Genoveva Garcia Calloway
Genoveva Garcia Calloway, Mayor