



San Pablo | CA

Fiscal Resiliency Reserve Policy (FRRP): Amendment No. 5

Administrative Services – Finance
January 20, 2026

History: FRRP Amendments Approved by previous City Council Action (2013 – Current)

- **On October 21, 2013**, 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 (FRRP)* (via Resolution No. 2013-159) and established several new reserves and funded each at the recommended levels.
- **On June 20, 2016**, the **Fiscal Resiliency Reserve Policy (FRRP) was first amended** by the City Council (via Resolution No. 2016-218) which formally established the *Casino Revenue Sustainability Reserve* (Fund: 180). The purpose of the reserve is to mitigate against the potential impact that a sudden shutdown or loss of casino revenue would have on the City's ability to maintain current operations and service levels.
- **On April 15, 2024**, the **Fiscal Resiliency Reserve Policy (FRRP) received a second amendment** approved by the City Council (via Resolution No. 2024-156). The action created new **Internal Service Funds (ISFs) (Funds: 130, 140 and 190)**. The action assigned one-time allocation from the City's Unassigned Reserves Fund Balance based on percentage of GF Operating Funds for the FY 2024-25 period only, effective July 1, 2024.
- **On March 3, 2025**, the **Fiscal Resiliency Reserve Policy (FRRP) received a third amendment** approved by the Council (via Resolution 25-032). The action establish three (3) new reserve funds: **(Funds 103, 104, and 105)**; and maintain two (2) internal services funds **(Fund 130 & 140)** with a one-time appropriation from unassigned fund balance from FY 2024/25 reserves, effective March 3, 2025.
- **On July 7, 2025**, the **Fiscal Resiliency Reserve Policy (FRRP) received a fourth amendment** approved by the Council (via Resolution 25-094). The action established an annual review of proposed vehicle and equipment acquisitions from City Departments (i.e., Police and Public Works) be approved by the Public Safety Standing Committee, with recommendation to the City Council for approval by adopted Resolution.

Fund	Types of Reserves	Effective 07/01/2024	Effective 03/03/2025	FY 25 Expenses	FY 25 Balance	Methodology
103	Sales Tax Revenue Sustainability Reserve		\$2,026,771		\$2,026,771	up to a maximum of 10% of Unassigned Audited Fund Balance
104	General Liability Sustainability Reserve		\$1,013,386		\$1,013,386	up to a maximum of 5% of Unassigned Audited Fund Balance
105	Pension (CalPERS) Liability Sustainability Reserve		\$1,013,386		\$1,013,386	up to a maximum of 5% of Unassigned Audited Fund Balance
110	General Fund Designated Reserve		\$8,698,050	\$1,956,772	\$6,741,278	up to a maximum of 10% of Unassigned Audited Fund Balance
130	Building, Facilities, & Parks Maintenance	\$1,631,0360	\$2,175,636	\$481,431	\$1,694,205	3% of Annual Total Operating Funds Budget
140	Asset and Vehicle Replacement Reserve	\$1,087,357	\$2,061,966	\$1,056,774	\$1,005,192	2% of Annual Total Operating Funds Budget
150	Catastrophic Reserve	\$27,183,937	\$28,152,495		\$28,152,495	50% of Annual Total Operating Funds Budget
170	Budget Stabilization Reserve	\$2,718,394	\$2,815,249		\$2,815,249	5 % of Annual Total Operating Funds Budget
180	Casino Revenue Sustainability Reserve		\$12,682,993		\$12,682,993	discretionary – Unassigned Audited Fund Balance
190	City Manager's Contingency Reserve	\$543,679	\$543,679	\$387,669	\$156,010	1% of Annual Total Operating Funds Budget
Total		\$33,164,403	\$61,183,611	\$3,882,646	\$57,300,965	

Proposed FRRP Change Effective January 20, 2026:

- **CURRENT Percentage Methodology:**

At the completion of each annual audit, and following certification of the Annual Comprehensive Financial Report (ACFR) by the City's independent auditor for that particular fiscal year, a percentage of the net change in year-end audited unassigned fund balance.

- **PROPOSED Percentage Methodology:**

At the completion of each annual audit, and following certification of the Annual Comprehensive Financial Report (ACFR) by the City's independent auditor for that particular fiscal year, a percentage of the net change in year-end audited unassigned fund balance.

Fund	Types of Reserves	FY 2026 Appropriations 07/01/2026	Operating Budget Methodology Adjustment	Percentage Methodology Adjustment	Final FY 26 Appropriations	Methodology
103	Sales Tax Revenue Sustainability Reserve			\$1,836,566	\$1,836,566	up to a maximum of 10% of Audited Fund Balance
104	General Liability Sustainability Reserve			\$918,283	\$918,283	up to a maximum of 5% of Audited Fund Balance
105	Pension (CalPERS) Liability Sustainability Reserve			\$918,283	\$918,283	up to a maximum of 5% of Audited Fund Balance
110	General Fund Designated Reserve	\$5,086,213		\$1,836,566	\$6,922,779	up to a maximum of 10% of Audited Fund Balance
130	Building, Facilities, & Parks Maintenance	\$1,694,205	\$1,689,617	\$0	\$3,383,822	3% of Annual Total Operating Funds Budget
140	Asset and Vehicle Replacement Reserve	\$805,715	\$1,126,412	\$0	\$1,932,127	2% of Annual Total Operating Funds Budget
150	Catastrophic Reserve		\$28,160,289	\$0	\$28,160,289	50% of Annual Total Operating Funds Budget
170	Budget Stabilization Reserve		\$2,816,029	\$0	\$2,816,029	5 % of Annual Total Operating Funds Budget
180	Casino Revenue Sustainability Reserve			\$0	\$12,855,957	discretionary – Audited Fund Balance
190	City Manager's Contingency Reserve		\$563,206	\$0	\$563,206	1% of Annual Total Operating Funds Budget
Total		\$7,586,134	\$34,355,552	\$5,509,698	\$60,307,341	

Staff Recommendation & Action:

1. Receive presentation; and
2. Recommend formal approval and consideration to approve the REVISED Fiscal Resiliency Reserve Policy (FRRP) Amendment No. 5, effective January 20, 2026.

Thank you!

Questions & Comments?