

## RESOLUTION 2016-218

### RESOLUTION OF THE CITY COUNCIL OF THE CITY OF SAN PABLO AMENDING THE FISCAL RESILIENCY RESERVE POLICY TO ESTABLISH THE CASINO REVENUE SUSTAINABILITY RESERVE

WHEREAS, On October 21, 2013, 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* (Resolution 2013-159); and

WHEREAS, this *Fiscal Resiliency Reserve Policy* adopted by City Council Resolution established several new reserves and funded each at the recommended levels:

- Catastrophic Reserve 50% of total Operating Funds
- Budget Stabilization Reserve 5% of total Operating Funds
- General Fund Designated Reserves Allocated on an annual basis
- Future Capital Projects Reserve Allocated on an annual basis
- City Manager's Contingency Account 1% of total Operating Funds

WHEREAS, the City's General Fund is heavily dependent on revenues from Casino San Pablo and any temporary or permanent closure of the Casino would negatively impact the City; and

WHEREAS, in an abundance of caution and to take prospective action, staff proposes to update the Fiscal Resiliency Reserve Policy to establish a new discretionary reserve, the *Casino Revenue Sustainability Reserve*, to give the City the ability to save up to maximum of 50% of unused audited fund balance annually to mitigate the potential of future casino revenue impacts; and

WHEREAS, other proposed changes to the Fiscal Resiliency Reserve Policy are primarily clean-up in nature and do not significantly alter the policy's original intent; and

WHEREAS, this action does not involve the expenditure of funds or the creation of new budgets, but the establishment of a new reserve fund.

NOW, THEREFORE BE IT RESOLVED, that the City Council of the City of San Pablo does hereby amend the Fiscal Resiliency Reserve Policy established on October 21, 2013 to allow the City Council to redirect up to 50% of the net change in year-end audited fund balance to a special "rainy day" reserve, the *Casino Revenue Sustainability Reserve (Fund 180)*, further demonstrating the City's continued commitment to prudent financial management and the protection of the City's financial future.

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Adopted this 20th day of June 2016, by the following vote:

AYES:	COUNCILMEMBERS:	Morris, Calloway, Chao Rothberg Valdez and Kinney
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NOES:	COUNCILMEMBERS:
ABSENT:	COUNCILMEMBERS:
ABSTAIN:	COUNCILMEMBERS:

ATTEST:

APPROVED:

/s/ Ted J. Denney  
Ted J. Denney, City Clerk

/s/ Rich Kinney  
Rich Kinney, Mayor