

RESOLUTION 2018-067

RESOLUTION OF THE CITY COUNCIL OF THE CITY OF SAN PABLO ESTABLISHING AN AMENDMENT #3 TO EXISTING ALLOCATIONS FOR THE GENERAL FUND DESIGNATED RESERVES AT \$6,508,483 FOR FISCAL YEAR 2017/18 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 June 20, 2016, City Council strengthened the Fiscal Resiliency Reserve Policy with the addition of the Casino Revenue Sustainability Reserve, allowing City Council to set aside up to 50% of annual audited fund balance (Resolution 2016-218);

WHEREAS, on January 16, 2018, City Council approved the FY 2017/18 General Fund Designated Reserves (GFDR) allocations with a balance of \$9,525,937 via Resolution #2018-003. Since then, City Council has appropriated and expended a total of \$3,875,937 from the FY 2017/18 GFDR leaving a remaining balance of \$5,650,000 to date;

WHEREAS, on February 5, 2018, the City Council adopted Resolution 2018-018 to postpone temporarily the implementation of the City's Municipal Broadband Project. As result of this decision, a total of \$3 million (\$3M) in 2015 Taxable Bond Proceeds is now available for redirection and reprogramming to other major capital projects as initially discussed in the agenda report under Fiscal Impact;

WHEREAS, on March 5, 2018 City Council approved Amendment #2 to the FY 2017/18 GFDR allocations with a balance of \$8,650,000 incorporating the \$3 million in 2015 Taxable Bonds;

WHEREAS, the City of San Pablo has received \$358,483 from the City of Richmond due to breaking away from Richmond to provide CAD/RMS services from San Pablo on behalf of San Pablo, Pinole and Hercules;

WHEREAS, the City Manager proposes to accept the \$358,483 from the City of Richmond for excess City contributions to the CAD/RMS consortium and allocate those funds, as Amendment #3, for the purpose of creating a police traffic and commercial enforcement unit. This increases the FY 2017/18 GFDR current balance available for future Council appropriation to \$6,508,483;

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; and

WHEREAS, the Budget, Fiscal & Standing Committee (Calloway/Kinney) have reviewed the proposed FY 2017/18 GFDR Amendment #3 as proposed by the City Manager and the recommendation for funding a police traffic and commercial enforcement unit at their meeting on May 8, 2018, and recommend its full consideration and approval by the City Council.

NOW, THEREFORE, BE IT RESOLVED that the City Council of the City of San Pablo does hereby approve the FY 2017/18 GFDR Amendment #3 with the following line-item allocations detailed in the following table:

FY 2017-18 GFDR AMENDMENT #3	
<i>Proposed for May 21, 2018 City Council Approval</i>	
	FY 2017/18
<u>Major Operating Contingencies (Revised)</u>	
Compensated Employee Absences	\$0
CalPERS Method 5 Policy Smoothing Impacts (2017-19)	\$0
City Facility Maintenance & One-Time Improvements	\$50,000
SPEDC Operating (FY16/17) & Measure Q (FY17/18) Subsidy	\$0
IT Systems Maintenance, Replacement, CAD/RMS, Surveillance Cameras	\$25,000
Vehicle and Large Equipment Replacement	\$0
Succession Planning & HR Legal Issues	\$0
FY 2018/19 GF Budget Supplemental Revenue (New)	\$300,000
PD Traffic Enforcement Program (Motorcycles, Training, Equipment)	\$358,483
<u>Sub-Total</u>	<u>\$733,483</u>
<u>Future Capital Projects & Professional Services Reserves</u>	
ADA Compliance & Improvement Projects (City-wide)	\$1,050,000
City-wide Annexation, Economic Development, Telecom & TOD Projects	\$25,000
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
<u>Sub-Total</u>	<u>\$5,775,000</u>
Total Allocations Available	\$6,508,483

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ADOPTED this 21st day of May, 2018, by the following vote:

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

ATTEST:	APPROVED:
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/s/ Elizabeth Pabon-Alvarado
Elizabeth Pabon-Alvarado, City Clerk

/s/ Genoveva Garcia Calloway
Genoveva Garcia Calloway, Mayor