

## RESOLUTION 2020-007

### RESOLUTION OF THE CITY COUNCIL OF THE CITY OF SAN PABLO ESTABLISHING PRELIMINARY ALLOCATIONS FOR THE GENERAL FUND DESIGNATED RESERVES AT \$4,343,431 FOR FISCAL YEAR 2019/20 (MID-YEAR ADJUSTMENT-PHASE I) PER ADOPTED FISCAL RESILIENCY RESERVE POLICY

WHEREAS, this item does not fall within a specific adopted policy priority within the approved FY2019-21 City Council Priority Workplan but is necessary to support the funding needed for projects and programs contained within the Workplan;

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 uncertainties and to set aside funding for other future known, but as of yet, unbudgeted one-time expenses;

WHEREAS, on August 5, 2019, City Council approved the FY 2019/20 Designated Reserves at \$2,900,024:

WHEREAS, the City Council has appropriated \$1,444,582 from the GFDR between August 5 and December 31, 2019, leaving a remaining balance of \$1,455,442 as of December 31, 2019;

WHEREAS, the FY2018/19 Comprehensive Annual Financial Report (CAFR), identified an increase in audited fund balance of \$2,887,989 which is available for assignment within the FY 2019/20 Designated Reserves.

• FY 2018/19 GFDR Balance 8/5/19	\$2,900,024
• Expenditures & Appropriations since 8/5/19	<u>(\$1,444,582)</u>
• Year to Date Fund Balance (12/31/19)	\$1,455,442
• Year-end Audited Fund Balance Available (6/30/19)	<u>\$ 2,887,989</u>
• <b>FY 2019/20 GFDR Available Balance</b>	<b>\$ 4,343,431</b>

WHEREAS, on January 15, 2020, the Budget, Fiscal & Legislative Standing Committee reviewed the year-to-date expenditures through December 31, 2019 from the FY 2019/20 General Fund Designated Reserves, as well as the audited fund balance figure from the FY2018/19 CAFR and recommended approval by the City Council as proposed below

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 2019/20 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;

WHEREAS, the balance currently available for appropriation is \$4,343,431, so some items in the proposed FY2019/20 GFDR as of 1/1/2020 are unfunded at this time (\$768,364); and

WHEREAS, during spring 2020, there will be anticipated adjustments to the Preliminary FY 2019/20 GFDR allocations (Mid-Year Adjustment - Phase I) which will be recommended to the Budget, Fiscal & Legislative Standing Committee, and to the City Council for review and approval prior to June 30, 2020.

NOW, THEREFORE, BE IT RESOLVED that the City Council of the City of San Pablo does hereby approve the FY 2019/20 Mid-year General Fund Designated Reserves in the amount of \$4,343,431 with the line-item allocations detailed in the following table:

GF DESIGNATED RESERVES: CALENDAR YEAR END UPDATE:

BUDGET, FISCAL & LEGISLATIVE STANDING COMMITTEE REVIEW - January 15, 2020

CITY COUNCIL APPROVAL - January 21, 2020 [Proposed]

DRAFT REVIEW

FY 2019/20 Approved (08/05/19):

FY 2019/20 Beginning Balance (-):

FY 2018/19 Year End Audited Fund Balance Available from 06/30/19 (-):

Total FY 2019/20 GFDR Fund Balance Available:

FY 2018/19 ADOPTED ALLOCATIONS

FY 2019/20

FY2019/20 Expended since

PROPOSED for January 21, 2020 City Council Approval

FY2019/20

Major Components:

Effective August 5, 2019

Major Operating Contingencies (Revised)

Compensated Employee Absences

CalPERS Method 5 Policy Smoothing Impacts (2017-19)

City Facility Maintenance & One-Time Improvements

SPEDEC Operating (FY16/17) & Measure Q (FY17/18) Subsidy

IT Systems Maintenance, Replacement & CAD/RMS

Vehicle and Large Equipment Replacement

Succession Planning & HR Legal Issues

Sub-Total

Future Capital Projects Reserves

ADA Compliance & Improvement Projects (City-wide)

City-owned Medical Office Leased

Drainage & NPDES MRP Compliance Facilities Improvements

Fire/EMS Services FS#70 Project with CCCFPD

Hillside Stabilization & Geo-Tech Studies/Improvements

Casino Revenue Sustainability Reserve

PW Streetlight Photovoltaic Master Plan Project - Rumrill

Fordham & El Portal Stabilization/Repairs

Soils storage - Wildcat Creek Trail project

Public Fiber/Smart Cell Technology

PW Projects Grant Match Funds

Sub-Total

Totals

Compensated Employee Absences

CalPERS Method 5 Policy Smoothing Impacts

City Facility Maintenance & One-Time Improvements

SPEDEC Operating (FY19/20) & Measure Q (FY19/20) Subsidy

IT Systems Maintenance, Replacement, CAD/RMS, Surveillance

Vehicle and Large Equipment Replacement

Succession Planning & HR Legal Issues

Sub-Total

Future Capital Projects & Professional Services Reserves

ADA Compliance/ADA Transition Plan (City-wide)

City-owned Medical Office Bldg Improvements (2023 Vale Road)

Drainage & NPDES MRP Compliance Facilities Improvements

San Pablo Dam Road Stabilization Improvements

Hillside Stabilization & Geo-Tech Studies/Improvements

Casino Revenue Sustainability Reserve

GIS Implementation

Fordham & El Portal Stabilization/Repairs

Soils storage - Wildcat Creek Trail project

Public Fiber/Smart Cell Technology

PW Projects Grant Match Funds

Sub-Total

Total Allocations

Over/(Under):

(\$768,364) \* Subject to re-allocation (Spring 2020)

\* \* \* \* \*

ADOPTED this 21<sup>st</sup> day of January, 2020, by the following votes:

AYES:	COUNCILMEMBERS:	Kinney, Pineda, Xavier, Pabon-Alvarado and Cruz
NOES:	COUNCILMEMBERS:	None
ABSENT:	COUNCILMEMBERS:	None
ABSTAIN:	COUNCILMEMBERS:	None

ATTEST:	APPROVED:
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/s/ Lehny M. Corbin  
Lehny M. Corbin, Deputy City Clerk

/s/ Arturo M. Cruz  
Arturo M. Cruz, Mayor