

## Legislation Text

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File #: #17-0349, Version: 1

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**PREPARED BY:** J. KELLY SESSIONS

**DATE OF MEETING:** 08/07/17

**SUBJECT:**

BUDGET RECONCILIATION - GENERAL FUND DESIGNATED RESERVES (JANUARY 2017 THROUGH JUNE 2017)

**CITY MANAGER RECOMMENDATION**

Receive and file.

**COMPLIANCE STATEMENTS**

**FY 2015-17 Council Priority Workplan Compliance Statement**

*Budget Spending Controls* (All) and *General Fund Reserves Protection / Fund Balance* (City Council; City Manager) are adopted policy items under the FY 2015-17 Council Priority Workplan, effective October 1, 2016.

**CEQA Compliance Statement**

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).

**BACKGROUND**

On October 21, 2013, City Council established the *Fiscal Resiliency Reserve Policy* to protect the fiscal solvency of the City and to achieve greater fiscal resiliency (Resolution 2013-159). This policy established new financial reserves and determined the methodology for funding each reserve, either by formula (i.e. the Catastrophic Reserve, Budget Stabilization Reserve, and City Manager's Contingency Account) or by a fixed amount earmarked for various projects throughout the City (i.e. the General Fund Designated Reserves or GFDR). On June 20, 2016, City Council strengthened the Fiscal Resiliency Reserve Policy with the addition of the Casino Revenue Sustainability Reserve (Resolution 2016-218).

Upon completion of the FY 2016 audit, City Council established the current year GFDR at \$18,855,163 on January 17, 2017 (Resolution 2017-007). The GFDR included a year-to-date fund balance of \$9,715,043 as of December 31, 2016, and an additional fund balance of \$9,140,120 available as a result of the FY 2016 Audit. The GFDR also included an allocation of \$1,000,043 to the new Casino Revenue Sustainability Reserve.

From January 17, 2017 through June 30, 2017, City Council appropriated \$11,706,724 of the \$18,855,163 leaving a balance of \$7,148,439. This amount will be available for appropriation until approximately January 2018 when staff will come back to Council to establish the FY 2017/18 GFDR.

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|---|-------------------|
| • FY 2016/17 GFDR Begin Balance         | \$ 18,855,163     |
| • Appropriations from 1/17/17 - 6/30/17 | ( \$ 11,706,724 ) |

- **GFDR Balance as of 6/30/17      \$ 7,148,439**

**FISCAL IMPACT**

This item is for informational purposes only; no fiscal action is required.