

Legislation Text

File #: #18-185, Version: 1

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DATE OF MEETING: 05/21/18

SUBJECT:

RESOLUTION OF THE CITY COUNCIL OF THE CITY OF SAN PABLO APPROVING 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

CITY MANAGER RECOMMENDATION

Adopt Resolution

COMPLIANCE STATEMENTS

FY 2018-2021 Council Priority Workplan Compliance Statement

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.

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

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). This 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). 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. 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).

FY 2017/18 GFDR Allocation Approved

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. On March 5, 2018, the City Council approved Amendment #2, an addition of \$3 million in 2015 Taxable Bond Proceeds to the FY2017/18 GFDR.

RETURN OF RICHMOND COST-SHARING FOR CAD/RMS CONSORTIUM

In 2017, the City of San Pablo, along with the Cities of Pinole and Hercules broke away from a long-

time consortium with the City of Richmond for CAD/RMS services. During the term of the consortium, the City had been contributing to a sinking fund for equipment maintenance, repair and replacement. Since the consortium system will no longer be in place, the City of Richmond returned funds back to the contributing agency. In the case of San Pablo, the reimbursement totaled \$358,483.

City Manager Recommended Project for New \$358,483 GFDR Allocation

The City Manager is proposing that the new funding from the Richmond CAD/RMS system be used to support the development and implementation of a traffic and commercial enforcement unit for the Police Department.

FY 2017/18 GFDR Amendment #3 Proposed

The additional \$358,483 million in new funding is being presented as Amendment #3 to the FY 2017/18 GFDR, which modifies the balance available for future Council appropriation to \$6,508,483, as shown below.

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
<u>PD Traffic Enforcement Program (Motorcycles, Training, Equipment)</u>	\$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

Therefore, the following GFDR Allocation Summary is provided including the FY 2017/18 GFDR Amendment #3 as proposed to the City Council for approval, as follows:

• FY 2017/18 GFDR Begin Balance (01/16/18)	\$ 8,650,000
• Expenditures & Appropriations (since 01/16/18)	<u>(\$2,500,000)</u>
• FY 2017/18 Balance Remaining:	\$ 6,150,000
• Richmond CAD/RMS Available Funding (03/05/18)	<u>\$ 358,483</u>
• FY 2017/18 GFDR Available Balance	\$ 6,508,483

Budget, Fiscal & Legislative Standing Committee Review

On May 8, 2018, the Budget, Fiscal & Legislative Standing Committee (Calloway/Kinney) reviewed the proposed Amendment #3 to the FY 2017/18 GFDR as proposed by the City Manager to fund priority projects. The Standing Committee took action to recommend approval by the City Council as proposed in the above table.

FISCAL IMPACT

This action sets the FY 2017/18 GFDR Amendment #3 allocations at \$6,508,483. The action, however, does not involve the expenditure of funds or the creation of new budgets; hence, there is no associated fiscal impact. Approval of these designations merely earmarks funds in the current FY 2017/18 budget for potential future appropriation by the City Council to an approved capital improvement project or departmental expenditure account. This action demonstrates the City's continued commitment to prudent financial management and will assist the City in planning for expected costs in the future.

Attachment: Proposed FY 2017/18 GFDR Allocation (Proposed Amendment #3)