

Legislation Text

File #: #19-341, Version: 1

PREPARED BY: REINA SCHWARTZ

DATE OF MEETING: 08/05/19

SUBJECT:

RESOLUTION OF THE CITY COUNCIL OF THE CITY OF SAN PABLO APPROVING THE GENERAL FUND DESIGNATED RESERVES (JANUARY 2019 THROUGH JUNE 2019) BUDGET RECONCILIATION AND FY2019/20 GFDR AT \$2,900,024

CITY MANAGER RECOMMENDATION

Approve Resolution

COMPLIANCE STATEMENTS

FY 2019-21 Council Priority Workplan Compliance Statement

The budget reconciliation for General Fund Designated Reserves is not a specific policy item in the FY2019-21 City Council Priority Workplan, effective March 1, 2109 but does support the City's Mission and overall workplan.

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).

Upon completion of the FY 2017/18 audit, the City Council established the current year GFDR at \$10,338,114 on February 4, 2019.

From February 2019 through June 30, 2019, City Council appropriated \$7,438,090; details on projects/programs funded during this time can be found in Attachment 1. The current balance in the GFDR is \$2,900,024 which is available for appropriation until approximately January 2020 when staff will return to Council to update the FY 2019/20 GFDR with the results of the financial audit of FY 2018/19.

FY 2018/19 GFDR Begin Balance	\$ 10,338,114
• Appropriations from 02/04/19-06/30/19	(\$ 7,438,090)
• GFDR Balance as of 6/30/19	\$ 2,900,024

BUDGET, FISCAL & LEGISLATIVE STANDING COMMITTEE REVIEW

On July 24, 2019, the Budget, Fiscal & Legislative Standing Committee (Pabon-Alvarado, Pineda) reviewed the GFDR Budget Reconciliation and recommended that it be forwarded to the City Council for approval.

FISCAL IMPACT

This action does not involve the expenditure of funds or the creation of new budgets, but designates certain reserve 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 assisting the City in planning for expected costs in the future.