



AGENDA STAFF REPORT

DATE: July 23, 2018

TO: Honorable Mayor and City Council

THRU: Jill R. Ingram, City Manager

FROM: Victoria L. Beatley, Director of Finance/City Treasurer

SUBJECT: **Adoption of Reserve Policy**

SUMMARY OF REQUEST:

That the City Council adopt Resolution 6850, adopting a Reserve Policy.

BACKGROUND AND ANALYSIS:

In 2001, the City adopted a Policy to establish a financial plan. The Budget and Fiscal Policies were approved by the City Council and amended in June of 2004. In the adopted Policy there is a section specific to fund balance designations and reserves. City staff has been using the established guidelines; however, it was noted that there is no real mechanism for use or replenishment of the established reserves.

The proposed Reserve Policy incorporates the essential purpose of the adopted policy, renames some existing reserve funds, and adds some additional funds that are more in line with current best practices.

As stated in the proposed policy, "Appropriate reserves are a key attribute of a financially stable organization...." The policy was created by the City's financial advisor, Fieldman Rolapp & Associates and it includes recommendations made by City staff to further refine the purpose and structure of each reserve.

STRATEGIC PLAN:

The adoption of this policy is consistent with the Strategic Plan Goal, Achieve Short- and Long-term Fiscal Sustainability.

ENVIRONMENTAL IMPACT:

There is no environmental impact related to this item.

LEGAL ANALYSIS:

No legal analysis is required for this item.

FINANCIAL IMPACT:

There is no financial impact related to this item.

RECOMMENDATION:

That the City Council adopt Resolution 6850, adopting a Reserve Policy.

SUBMITTED BY:

NOTED AND APPROVED:

[Victoria L. Beatley](#)

Victoria L. Beatley, Director of
Finance/City Treasurer

[Jill R. Ingram](#)

Jill R. Ingram, City Manager

ATTACHMENTS:

- A. Resolution 6850
- B. Reserve Policy