

RESOLUTION NO.

**RESOLUTION OF THE CITY COUNCIL OF THE CITY
OF PASADENA APPROVING THE COMMITMENT OF GENERAL
FUND BALANCE FOR THE GENERAL FUND EMERGENCY
CONTINGENCY COMMITMENT AND GENERAL FUND BALANCE
OPERATING RESERVE COMMITMENT FOR FISCAL YEAR 2023**

WHEREAS, the Governmental Accounting Standards Board (GASB) has issued its Statement No. 54, Fund Balance Reporting and Governmental Fund Type Definitions with the intent of improving financial reporting by providing fund balance categories that will be more easily understood;

WHEREAS, the City Council last modified the Fund Balance Policy on August 15, 2011, through Resolution no. 9136 (the "Fund Balance Policy");

WHEREAS, the Fund Balance Policy increased the commitment of General Fund Balance from 10 percent to 20 percent of the General Fund annual appropriations for Fiscal Years after Fiscal Year 2014;

WHEREAS, the Fund Balance Policy includes a temporal framework for increasing the General Fund Emergency Contingency Commitment of the General Fund after Fiscal Year 2014, over five years if this goal cannot be reached initially;

WHEREAS, the Fund Balance Policy states that it be taken into account during budget preparation;

WHEREAS, the Fund Balance Policy provides that the City Council may commit General Fund balance for specific purposes by taking formal action and these committed amounts cannot be used for any other purpose unless the City Council removes or changes the specific use through the same formal action taken to establish the commitment;

WHEREAS, as part of the budget adoption for fiscal year 2024, the City Council determined that the General Fund Emergency Contingency Commitment should be maintained at fifteen (15) percent and the General Fund Operating Reserve Commitment should be maintained at an amount less than five (5) percent of the adopted General Fund annual appropriations; and

WHEREAS, as part of the budget adoption for fiscal year 2024, the City Council determined that the General Fund Emergency Contingency Commitment and Operating Reserve Commitment calculations should be based on the current year appropriations solely from the General Fund sub fund (Fund 101 in the City's general ledger), excluding sub funds 102 through 108, which are specialized funds of the General Fund.

NOW, THEREFORE, BE IT RESOLVED by the City Council of the City of Pasadena, California that:

1. The General Fund Emergency Contingency Commitment of General Fund Balance shall be \$43,952,969.

2. The General Fund Emergency Contingency Commitment may be used for emergency contingencies in the event of the declaration of a state or Federal state of emergency or a local emergency as defined in Title 2, Chapter 2.370 of the City of Pasadena Municipal Code and these uses may only be changed by approval of a subsequent resolution of the City Council.

3. The General Fund Operating Reserve Commitment of General Fund balance shall be determined upon the conclusion of the Fiscal Year 2024 financial statement preparation by committing up to \$14,650,989 to the extent possible, based on availability of funding from the unassigned General Fund balance.

4. The General Fund Operating Reserve Commitment may be used for the purpose of stabilizing the delivery of City services during periods of extreme operational budget deficits and to mitigate the effects of major economic uncertainties resulting from events uncontrollable by the City and these uses may only be changed by approval of a subsequent resolution of the City Council.

Adopted at the regular meeting of the City Council on the ___ day of
September, 2023 by the following vote:

AYES:


NOES:

ABSENT:

ABSTAIN:

Mark Jomsky, CMC
City Clerk

APPROVED AS TO FORM:



Javan N. Rad
Chief Assistant City Attorney