

RESOLUTION NO. _____

RESOLUTION OF THE CITY COUNCIL OF THE CITY OF CHULA VISTA REPEALING CITY COUNCIL POLICY 220-04 SEWER SERVICE REVENUE FUND RESERVE POLICY, 220-09 PENSION & OPEB RESERVE FUND, 220-10 MEASURE A RESERVE POLICY, AND 220-11 AMBULANCE TRANSPORT SYSTEM ENTERPRISE FUND RESERVE POLICY, AMENDING CITY COUNCIL POLICY 220-03 TO SERVE AS A CONSOLIDATED CITYWIDE RESERVE POLICY; AND RENAMING CITY COUNCIL POLICY 220-03 TO CITYWIDE RESERVE POLICY – FISCAL HEALTH PLAN

WHEREAS, public entities accumulate and maintain adequate reserves to help ensure both financial stability and the ability to provide core services during difficult times; and

WHEREAS, sufficient reserves create financial stability resulting in increased credit quality and allow the public entity to better weather downturns in the economy and the impacts of negative events, both major and minor; and

WHEREAS, the establishment of prudent financial reserves is important to ensure the long-term fiscal health of the City; and

WHEREAS, the Government Finance Officers Association (GFOA), an international organization that promotes the professional financial management of governments for the public interest, recommends that governments formally adopt reserve policies that govern the amount of resources to be held in reserve and conditions under which reserves can be used; and

WHEREAS, GFOA recognizes that each government's situation is unique, and reserve policies should be developed based upon its own specific circumstances; and

WHEREAS, the City of Chula Vista has several City Council Policies that address reserves in various funds; and

WHEREAS, City Council Policy 220-03 Citywide Reserve Policy will consolidate various reserve policies into a single citywide reserve policy in order to standardize existing policies, streamline review and future updates to the policy; and

WHEREAS, staff recommends amendments to the General Fund Reserve Policy, including the establishment of a minimum reserve level of 3% for the Catastrophic Event Reserve and modifications to the calculation of the General Fund Reserve level; and

WHEREAS, staff recommends amendments to the Pension & OPEB Reserve Fund Policy, including modifications to the calculation of the Pension Reserve Fund level, authorized use and funding allocation of the Pension Reserve Fund, Bond Call Fund, and OPEB Reserve Fund; and

WHEREAS, staff recommends renaming City Council Policy 220-03 General Fund Reserves – Fiscal Health Plan to Citywide Reserve Policy – Fiscal Health Plan; and

WHEREAS, staff recommends consolidating the following existing City Council Policies into City Council Policy 220-03 Citywide Reserve Policy– Fiscal Health Plan as set forth in Exhibit 1 to this resolution:

- 220-04 Sewer Service Revenue Fund Reserve Policy
- 220-09 Pension & OPEB Reserve Fund
- 220-10 Measure A Reserve Fund Policy
- 220-11 Ambulance Transport System Enterprise Fund Reserve Policy; and

WHEREAS, staff recommends repealing the following existing policies:

- 220-04 Sewer Service Revenue Fund Reserve Policy
- 220-09 Pension & OPEB Reserve Fund
- 220-10 Measure A Reserve Fund Policy
- 220-11 Ambulance Transport System Enterprise Fund Reserve Policy; and

WHEREAS, the Office of the City Attorney has prepared this resolution based on the information provided by City staff with the understanding that this information is complete, true, and accurate; and

WHEREAS, staff recommends amending City Council Policy 220-03 Citywide Reserve Policy– Fiscal Health Plan to reflect the changes described in Exhibit 1 to this resolution attached hereto and incorporated herein.

NOW, THEREFORE, BE IT RESOLVED by the City Council of the City of Chula Vista, that it:

1. Renames City Council Policy 220-03 General Fund Reserves – Fiscal Health Plan to Citywide Reserve Policy – Fiscal Health Plan.
2. Amends City Council Policy 220-03 Citywide Reserve Policy – Fiscal Health Plan and consolidates the following existing City Council policies into one policy, as set forth in Exhibit 1 to this resolution, attached hereto and incorporated herein, with such changes as may be required or approved by City Attorney:
 - 220-04 Sewer Service Revenue Fund Reserve Policy
 - 220-09 Pension & OPEB Reserve Fund
 - 220-10 Measure A Reserve Fund Policy
 - 220-11 Ambulance Transport System Enterprise Fund Reserve Policy.
3. Repeals City Council Policy 220-04 Sewer Service Revenue Fund Reserve Policy, City Council Policy 220-09 Pension & OPEB Reserve Fund, City Council Policy 220-10

Measure A Reserve Fund Policy, and City Council Policy 220-11 Ambulance Transport
System Enterprise Fund Reserve Policy.

Presented by

Approved as to form by

Sarah Schoen
Director of Finance/ Treasurer

Marco A. Verdugo
City Attorney