

RESOLUTION NO. 17-043

**A RESOLUTION OF THE CITY OF CARSON CITY COUNCIL UPDATING THE
POLICY FOR GENERAL FUND RESERVE FOR ECONOMIC UNCERTAINTIES**

WHEREAS, on January 18, 2012, the City Council adopted Resolution No. 12-014, setting forth certain financial principles upon which the City shall operate and adopting certain implementing guidelines to accomplish the same; and

WHEREAS, on March 21, 2017 by minute order, the City Council adopted a Debt Management Policy in accordance with new state law that became effective January 1, 2017 (SB 109); and

WHEREAS, based upon best practices, the City Council wishes to update its policy for the General Fund Reserve for Economic Uncertainties to outline allowable uses of the Reserve and methods for replenishing the Reserve.

NOW, THEREFORE, THE CITY COUNCIL OF THE CITY OF CARSON DOES HEREBY RESOLVE, FIND, DETERMINE, AND ORDER AS FOLLOWS:

Section 1. Consistent with Resolution No. 12-014, it shall be the policy of the City of Carson to maintain a minimum General Fund balance, committed as a "Reserve" for Economic Uncertainties, equal to 20% of annual General Fund appropriations, exclusive of nonspendable, restricted, and assigned General Fund balances.

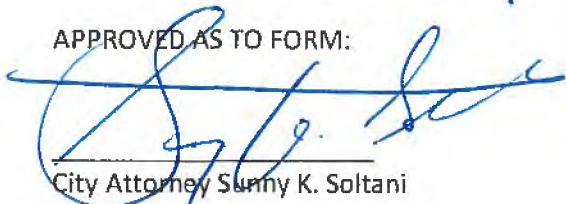
Section 2. The City may consider a use of the Reserve for Economic Uncertainties when the City Council declares a fiscal emergency by resolution; or when there is a physical emergency requiring significant City response, such as an earthquake; or when a single General Fund revenue source decreases more than \$1 million in one year; or when the City incurs a liability of more than \$1 million in one year due to legal or insurance settlements. The Reserve for Economic Uncertainties shall not be used for recurring operating expenditures unless one of the foregoing criteria is applicable. The City Council shall make a finding regarding the criteria which allows use of the Reserve.

Section 3. The City may replenish the Reserve for Economic Uncertainties from future increases of General Fund revenue, without corresponding increases to service levels funded with General Fund appropriations, until the policy level is reached; or by considering any favorable budget variances in unrestricted funds at each fiscal year-end; or by considering any non-recurring revenue sources, such as legal settlements or sale of assets; or by reducing service levels to fit within new realistic revenue amounts, striving to replenish the Reserve within three years.

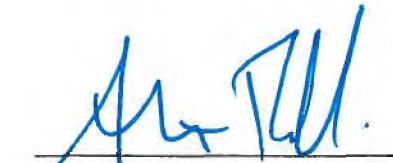
Section 4. The City Clerk shall certify the adoption of this resolution and shall keep a copy of this resolution on file, and effective as of June 20, 2017, the same shall be in force and effect.

PASSED, APPROVED, AND ADOPTED this 20th day of June, 2017.


APPROVED AS TO FORM:



City Attorney Sunny K. Soltani



Mayor Albert Robles

ATTEST:


City Clerk Donesia L. Gause, MMC

STATE OF CALIFORNIA)
COUNTY OF LOS ANGELES) ss.
CITY OF CARSON)


I, Donesia L. Gause, City Clerk of the City of Carson, California, hereby attest to and certify that the foregoing resolution, being Resolution No. 17-043, adopted by the Carson City Council at its meeting held on the 20th day of June, 2017, by the following vote:

AYES: COUNCIL MEMBERS: Robles, Davis-Holmes, Santarina, Hicks, Hilton

NOES: COUNCIL MEMBERS: None

ABSTAIN: COUNCIL MEMBERS: None

ABSENT: COUNCIL MEMBERS: None



City Clerk Donesia L. Gause, MMC