

**ITEM 9 ATTACHMENT 1
RESOLUTION NO. 2022-1796**

**A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF
CALABASAS, CALIFORNIA, ADOPTING GENERAL FUND
RESERVE POLICY.**

WHEREAS, the original General Fund Reserve Policy was established at 40% of budgeted fiscal year expenditures; and

WHEREAS, the City Council desires to update the General Fund Reserve Policy to 50% of expenditures.

NOW, THEREFORE, BE IT RESOLVED by the City Council of the City of Calabasas, California, as follows:

General Fund Reserve Policy

Financial stability is an important factor for the City of Calabasas. Sound financial management includes the practice and discipline of maintaining adequate reserve funds for known and unknown contingencies. Such contingencies and occurrences include, but are not limited to:

- Cash flow requirements
- Economic uncertainties and other financial hardships
- Downturns in the local, state or national economy
- Local disasters or catastrophic events
- Loss of major revenue source
- Unanticipated operating or capital expenditures
- Capital asset and infrastructure repair and replacement

The establishment of prudent financial reserve policies is important to ensure the long- term financial health of the City.

The City will maintain a minimum General Fund reserved fund balance of 50% of General Fund appropriation for expenditures. This Reserve will be maintained for the purpose of sustaining General Fund operations in the case of a public emergency such as a natural disaster or other unforeseen catastrophic events. This Reserve can be used to mitigate financial and service delivery risk due to unexpected revenue shortfalls or unanticipated critical expenditures. This reserve will not be used to fund new programs or

personnel.

Standard Policy and Procedure (SPP) 151-950 – Reserve Policy, and any conflicting provisions previously adopted, are hereby rescinded.

All resolutions in conflict herewith are hereby expressly repealed. This resolution shall become effective immediately upon adoption.

The City Clerk shall certify to the adoption and shall cause the same to be processed in the manner required by law.

PASSED, APPROVED AND ADOPTED this 22nd day of June 2022.

Mary Sue Maurer, Mayor

ATTEST:

APPROVED AS TO FORM:

Maricela Hernandez, City Clerk
Master Municipal Clerk
California Professional Municipal Clerk

Matthew T. Summers
Colantuono, Highsmith & Whatley, PC
City Attorney