



ATTACHMENT 4

Resolution Establishing Reserves

RESOLUTION NO. 2021-XXXX

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF SAN MARCOS AUTHORIZING APPROPRIATION AND TRANSFER OF FUNDS FOR THE ESTABLISHMENT OF AN APPROPRIATED RESERVE FOR FUTURE EXPENDITURES AND/OR CONTINGENCIES FOR FISCAL YEAR 2021-22

WHEREAS, State Legislation was passed by the voters and required municipalities to establish appropriation limits and funds for appropriated reserves; and

WHEREAS, it is necessary to appropriate, transfer and establish an Appropriated Reserve for future expenditures and/or contingencies; and

WHEREAS, it may be necessary to appropriate \$2.5 million of unassigned reserves to the Fiscal Year 2021-22 General Fund Operating Budget for future expenditures and/or contingencies; and

WHEREAS, Staff will develop a reserve replenishment plan for City Council approval if an actual appropriation of unassigned reserves to the Fiscal Year 2021-22 General Fund Operating Budget is deemed necessary for future expenditures and/or contingencies; and

WHEREAS, the Fiscal Year 2020-21 projected balanced budget includes an General Fund allocation from unassigned fund balance of \$6,729,735 million; and

WHEREAS, all monies not subject to the City's appropriation limit, general fund unbudgeted reserves, general fund reserves, subventions, and monies generated by municipal operations and required for such items as lawsuits, insurance claims, catastrophic events, contract change orders, legislative or State Commission approved legislation or decisions requiring increased costs, excess inflationary trends, motor vehicles and capital equipment, building additions or construction, land requirements for

municipal operations and general operational service needs, and events beyond the control of the City, shall be designated as an Appropriated Reserve for future expenditures and/or contingencies.

NOW, THEREFORE, BE IT RESOLVED by the City Council of the City of San Marcos that it authorizes, appropriates, transfers and establishes an Appropriated Reserve for future expenditures and/or contingencies for the purpose of providing for the previously mentioned municipal requirements. The total amount of the reserve shall be equal to the Unappropriated Reserves for the fiscal year 2021-22. The City Council may, at its option from time to time, by Resolution, add or subtract, as deemed appropriate by the occasion, to such reserve by transferring unencumbered surplus from an appropriate fund or funds.

PASSED, APPROVED AND ADOPTED by the City Council of the City of San Marcos this 8th day of June 2021, by the following roll call vote:

AYES: COUNCILMEMBERS:

NOES: COUNCILMEMBERS:

ABSENT: COUNCILMEMBERS:

Rebecca D. Jones, Mayor
City of San Marcos

ATTEST:

Phillip Scollick, City Clerk
City of San Marcos