

RESOLUTION NO. 2023-26

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF YUCAIPA APPROVING COMMITMENT OF CERTAIN GENERAL FUND RESERVES FOR SPECIFIED PURPOSES CONSISTENT WITH THE FUND BALANCE POLICY

WHEREAS, the Government Accounting Standards Board (GASB) is the authoritative body that sets accounting principles for governmental agencies, including the City of Yucaipa (City); and

WHEREAS, GASB pronouncements comprise the majority of generally accepted accounting principles for governmental agencies; and

WHEREAS, GASB Statement No. 54, Fund Balance Reporting and Governmental Fund Type Definitions (GASB 54) requires that governmental agencies utilize certain terminology and classification when describing components of fund balance; and

WHEREAS, GASB 54 is designed to improve the reporting of fund balance and to establish a hierarchy of fund balance classifications based primarily on the extent to which governments are bound by constraints on resources reported in the funds; and

WHEREAS, the City Council approved the “Fund Balance Policy” with Resolution 2023-25, which complies with the requirements of GASB 54; and

WHEREAS, approval will result in the City having the reserves listed in the “Committed Fund Balance for the General Fund Only” attached hereto and incorporated herein by this reference as Exhibit A.

NOW, THEREFORE, THE CITY COUNCIL OF THE CITY OF YUCAIPA HEREBY FINDS, DETERMINES, ORDERS, AND RESOLVES AS FOLLOWS:

Section 1. The City Council hereby approves the commitment to the Economic Stabilization Contingency in the amount of \$1,000,000 and the commitment to the Disaster Relief – Emergency Preparedness Contingency in the amount of \$5,000,000.

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Section 2. All the provisions heretofore adopted by the City Council that are in conflict with the provisions of this Resolution are hereby repealed.

PASSED, APPROVED, and ADOPTED this 12th day of June 2023.

Justin Beaver, Mayor

ATTEST:

Ana V. Sauseda, CMC
Director of General Services/City Clerk

EXHIBIT A

COMMITTED FUND BALANCE FOR THE GENERAL FUND ONLY

Economic Stabilization Contingency

The Economic Stabilization Contingency commitment is \$1,000,000 for economic stabilization. The commitment is set aside for a future revenue shortfall that meets or exceeds a State imposed reduction in revenue streams or economic conditions that lead to a decline in General Fund revenue of at least 30% compared to budgeted revenues. In such an event, the City may utilize these committed funds to maintain levels of service to residents.

Disaster Relief - Emergency Preparedness Contingency

The Disaster Relief - Emergency Preparedness Contingency commitment of \$5,000,000 is to provide funding in the event of a declaration of a federal state of emergency or a Local Emergency as defined in the Yucaipa Municipal Code Section 8.36.030.