

RESOLUTION NO. 18-008

**AMENDING COUNCIL POLICY NO. 400-6 BUDGET AND FINANCIAL
MANAGEMENT**

FINDINGS

1. The City Council's current Budget and Financial Management Policy 400-6 establishes a General Fund Reserve target level of at least 10% of the annual operating budget, unless otherwise approved by City Council for specific purposes.
2. An evaluation of the City's cash flow needs and exposure to risk; best practices, and a comparison with benchmark cities indicates an increase in reserve policy levels is needed to assist with fiscal sustainability and managing financial risks.
3. Council Policy 400-6, *Budget and Financial Management Policies*, should be amended to increase the City's General Fund reserve levels to a minimum of 35%.
4. This action does not constitute a "Project" as that term is defined under the California Environmental Quality Act (CEQA) Guideline Section 15378, as it is an organizational or administrative activity that will not result in direct or indirect physical changes in the environment.

**NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF
PACIFIC GROVE:**

1. The Council determines that each of the Findings set forth above is true and correct, and by this reference incorporates those Findings as an integral part of this Resolution.
2. Amendments to Budget and Financial Management Policy No 400-6 are hereby approved as indicated in the draft amended policy attached hereto, which by this reference are incorporated as set forth in its entirety.
3. This Resolution shall take effect immediately following passage and adoption thereof.

PASSED AND ADOPTED BY THE COUNCIL OF THE CITY OF PACIFIC GROVE
this 7th day of March, 2018, by the following vote:

AYES: Mayor Kampe, Councilmembers Cuneo, Fischer, Garfield, Huitt, Peake, and Smith.

NOES: None.

ABSENT: None.

APPROVED:



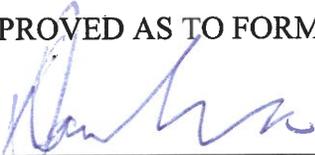
BILL KAMPE, Mayor

ATTEST:



SANDRA KANDELL, CITY CLERK

APPROVED AS TO FORM:



DAVID C. LAREDO, City Attorney