

RESOLUTION NO. 2021-XX

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF FULLERTON,  
CALIFORNIA APPROVING THE DESIGNATION OF AVAILABLE  
UNASSIGNED GENERAL FUND BALANCE ABOVE THE TEN PERCENT  
MINIMUM CONTINGENCY RESERVE LEVEL AS ASSIGNED  
CONTINGENCY RESERVES FOR FISCAL YEAR 2020-21

WHEREAS, the City's General Fund reserve policy states that "the City shall maintain a minimum General Fund balance of 10% of annual General Fund expenditures and shall strive to increase the level to 17% (approximately two months of expenditures). The ten percent fund balance will be designated as 'assigned' and will be designated to be used in the event of a significant financial emergency."

WHEREAS, in line with prudent financial practice and compliance to financial policy, the City has adhered to maintaining the minimum ten percent assigned contingency reserves in the General Fund, assigned per policy.

WHEREAS, the City is preparing the Fiscal Year (FY) 2020-21 annual audit and financial report with anticipated completion in December 2021.

WHEREAS, per the City's most recent year-end projections for FY 2020-21 as presented at the third quarter financial report on July 20, 2021, staff anticipated that the General Fund will end FY 2020-21 with available unassigned fund balance to assign as contingency reserve above the minimum ten percent level.

WHEREAS, City Council must designate any remaining unassigned fund balance above the minimum ten percent contingency reserve level as assigned contingency reserve fund balance by resolution.

WHEREAS, City Council will base the final available unassigned fund balance amount for designation as assigned General Fund balance for contingency reserves on final audited year-end figures.

NOW, THEREFORE, THE CITY COUNCIL OF THE CITY OF FULLERTON RESOLVES AS FOLLOWS:

Section 1. City Council designates available General Fund unassigned fund balance above the minimum ten percent contingency reserve level for Fiscal Year 2020-21 and assigns as contingency reserve fund balance.

Section 2. City Council authorizes the City Manager, or designee, to make the effectuating changes in the City's financial system and in its financial reporting system and documents.

Section 3. This Resolution shall become effective immediately for FY 2020-21.

Section 4. The City Clerk shall certify to the adoption of this Resolution.

ADOPTED BY THE FULLERTON CITY COUNCIL ON SEPTEMBER 21, 2021.

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Bruce Whitaker, Mayor

ATTEST:

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Lucinda Williams, City Clerk