

RESOLUTION NO. 05-1378

**A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF AGOURA HILLS
ESTABLISHING A GENERAL FUND RESERVE POLICY**

WHEREAS, a prudent General Fund reserve policy should be an integral part of municipal financial operations; and

WHEREAS, the City Council of the City of Agoura Hills is dedicated to ensure maintaining fiscal responsibility and accountability in the expenditure of City funds; and,

WHEREAS, sound fiscal planning and management practices dictate the need for flexibility and liquidity in the use and maintenance of the City's General Fund reserve; and

WHEREAS, unobligated General Fund reserves are needed for cash flow requirements; and contingencies such as exposure to natural disasters, exposure to economic impacts, and vulnerability to actions of the State; and

WHEREAS, the City Council of the City of Agoura Hills desires to establish a policy of allocating and maintaining a specified percentage of the City's General Fund Operating Budget as an unobligated General Fund reserve each year.

NOW, THEREFORE, BE IT RESOLVED, that the City Council of the City of Agoura Hills does hereby establish a General Fund Reserve Policy, as follows:

1. The City Council and City staff will endeavor to designate an amount equal to or greater than forty percent (40%) of each year's proposed General Fund Operating Budget as the City's unobligated General Fund Reserve.
2. This policy shall not prohibit any City Council from expending amounts from the General Fund Reserve to further the public interest.
3. If, in any budget year, the City Council determines that the public interest requires expending any amount from the General Fund Reserve that would cause the amount remaining in General Fund Reserves to fall below forty percent (40%) of that year's General Fund Operating Budget, the City Council and City staff shall, in the following budget year, present a plan for returning the General Fund Reserve to the 40% level as soon as practicable based on the City's then-current budget circumstances.
4. The City Manager shall be responsible for implementing this policy.

PASSED, APPROVED, and ADOPTED this 22nd day of June, 2005, by the following vote:

AYES: (0)
NOES: (0)
ABSTAIN: (0)
ABSENT: (0)

Ed Corridori, Mayor

ATTEST:

Kimberly M. Rodrigues, City Clerk