

## RESOLUTION 12-23

### **A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF WILLIAMS, CALIFORNIA, AUTHORIZING THE TRANSFER OF ANNUAL GENERAL FUND SURPLUSES TO THE VEHICLE INTERNAL SERVICE FUND TO BE USED FOR PURCHASES OF VEHICLE REPLACEMENTS, AND AUTHORIZING THE CREATION OF A BUDGET STABILIZATION FUND RESERVE**

WHEREAS, due to the changing nature of General Fund revenues, including hotel, sales and property taxes, the City of Williams (“City”) would like to create a Budget Stabilization Fund Reserve to safeguard against potential shortfalls; and

WHEREAS, many government agencies have prudently created reserves, allowing them to cover unexpected downturns in revenues as a result of reduced economic activity or reductions in tax contributions from the State; and

WHEREAS, the City also recognizes its needs and obligations for vehicle replacements, mostly comprised of police patrol vehicles, and delaying replacement of city vehicles in the long run adds to maintenance costs, reduces resale value of vehicles and can potentially jeopardize the safety of City employees; and

WHEREAS, funding the capital reserves of the Vehicle Internal Service Fund would create a structural deficit for the City’s annual operating budget; and

WHEREAS, as an alternative, the City Council may authorize staff to transfer year end annual surpluses of the General Fund, resulting from an excess of revenue in comparison to expenditures calculated each fiscal year, into the Vehicle Internal Service Fund to be utilized for vehicle replacements; and

WHEREAS, although the final amount of the surplus will be dependent on the final June 2012 related sales taxes to be received by the end of September 2012, the City is projecting a surplus of approximately \$100,000 for the fiscal year ending June 30, 2012; and

WHEREAS, the City Council also may authorize staff to designate any additional surplus as a Budget Stabilization Fund Reserve, to remain in the City’s General Fund and serve as an additional reserve layer over and above the City’s General Fund reserves, whose current balance is in excess of 30% of the City’s annual appropriations.

NOW, THEREFORE, THE CITY COUNCIL OF THE CITY OF WILLIAMS DOES RESOLVE, DECLARE, DETERMINE, AND ORDER AS FOLLOWS:

Section 1. That the City Council hereby authorizes the City Finance Officer to transfer up to \$50,000 from annual General Fund surpluses to the Vehicle Internal Service Fund to be used for purchases of vehicle replacements.

Section 2. That the City Council authorizes the City Finance Officer to designate any remaining General Fund surplus as the City’s Budget Stabilization Fund Reserve.

Section 3. That the City Council authorizes and directs the City Administrator and the City Finance Officer to take any action necessary to carry out the purposes of this Resolution, including, but not limited to, all actions necessary to transfer annual General Fund surpluses to the Vehicle Internal Service Fund for the purchase of vehicle replacements, and creation of a Budget Stabilization Fund Reserve, in accordance with the approvals provided for in this Resolution.

Section 4. That if any provision of this Resolution or the application thereof to any person or circumstance is held invalid, such invalidity shall not affect other provisions or applications of this Resolution that can be given effect without the invalid provision or application, and to this end the provisions of this Resolution are severable. The City Council hereby declares that it would have adopted this Resolution irrespective of the invalidity of any particular portion of this Resolution.

Section 5. That the City Clerk shall certify to the passage and adoption of this Resolution.

AYES:  
NOES:  
ABSTAIN:  
ABSENT:

PASSED AND ADOPTED by the City Council of the City of Williams this 19<sup>th</sup> day of September, 2012.

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John J. Troughton, Jr., Mayor

ATTEST:

APPROVED AS TO FORM:

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Charles Bergson, Interim City Clerk

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Ann M. Sipelle, City Attorney