

SUBJECT:
Fiscal Adversity and Healthy City Reserves

POLICY NUMBER 200-08
ADOPTED 6-11-08

It is the policy of the City Council of the City of Oceanside to establish a Healthy City Reserve Fund to maintain a stable tax and revenue structure and provide for the orderly provision of services to the citizens of Oceanside; and to establish a process for the use of these funds in the event of fiscal adversity.

The Healthy City Reserve Fund is established at a minimum of 12 percent of the General Fund operating expenditures, and monies set aside in the Healthy City Reserve Fund shall not be reduced below 12 percent of operations level without prior approval of the City Council.

Biennially during the budget process, the Healthy City Reserve Fund will be re-evaluated by the City Council to determine if adequate levels of reserve are maintained based on the economic conditions of the area.

The Healthy City Reserve Fund would be available only as a temporary revenue source to be used while an orderly financial plan for cost reduction or revenue enhancement is developed.

Process

- A. In the event of fiscal adversity (defined as a 5 percent or greater reduction of discretionary General Fund revenues), staff would request Council approval to utilize the Healthy City Reserve Fund if funds are necessary to maintain current service levels until a reduced budget is prepared. The use of the Healthy City Reserve Fund should not exceed 90 days of emergency funding.
- B. Appropriate staff (i.e., City Manager, Finance Director and Department Heads) will evaluate affected revenues and programs, and make a recommendation regarding reduced service levels.
- C. The proposed financial plan will be shared with all City staff.
- D. The proposed financial plan will be presented to the City Council at a special public meeting for their review, discussion and adoption.
- E. Future budget considerations should include replacement funds to replenish the Healthy City Reserve Fund.