

**CITY OF WALNUT CREEK
RESOLUTION NO. 11-30**

**A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF WALNUT CREEK
ESTABLISHING THE CLASSIFICATIONS OF FUND BALANCE IN ACCORDANCE WITH
GOVERNMENTAL ACCOUNTING STANDARDS BOARD STATEMENT NO. 54**

WHEREAS, The Governmental Accounting Standards Board has issued Statement No. 54 (“GASB 54”) entitled “Fund Balance Reporting and Governmental Fund Type Definitions”, a new standard that became effective in governmental fiscal years starting after June 15, 2010, and

WHEREAS, the City Council elects to implement GASB 54 requirements and to apply such requirements to its financial statements beginning with the current (July 1, 2010-June 30, 2011) fiscal year, and

WHEREAS, GASB 54 states that the City Council may commit General Fund balance for specific purposes by taking formal action and these committed amounts cannot be used for any other purpose unless the City Council removes or changes the specific uses through the same formal action taken to establish the commitment; and

WHEREAS, the City Council has determined that the Catastrophic Emergency commitment should be established and approved at 10% of annual General Fund budgeted operating expenditures as recommended by the City Manager, and

WHEREAS, the City Council has determined that the Compensated Absences commitment should be established and approved as equal to the projected one-year liability based on the previous year’s experience, and

WHEREAS, the City Council has determined the Dental Claim commitment should be established and approved as equal to six months of budgeted dental expenses, and

WHEREAS, the City Council has determined that the Fiscal Emergency commitment should be established and approved at 10% of annual General Fund revenue budget for property tax, sales tax, and departmental revenue, plus 10% of the annual General Fund expenditure budget for PERS and medical costs as recommended by the City Manager, and

WHEREAS, the City Council has determined that the Legal Claims commitment should be established and approved based on the City’s five year claim history, but no less than \$3 million, and

WHEREAS, the City Council has determined that the Public Employee Retirement System (PERS) commitment should be established and approved, and

WHEREAS, the City Council has determined that the Radio Communications commitment should be established and approved, and

WHEREAS, the City Council has determined that the Workers Compensation commitment should be established and approved equal to twice the annual expenses paid out over the previous five years, but no less than \$2 million, and

WHEREAS, the City Council has determined where an expenditure is to be made for a purpose for which amounts are available in multiple Fund Balance classifications, the order in which

resources will be expended is as follows: Restricted Fund Balance, followed by Committed Fund Balance, Assigned Fund Balance, and lastly Unassigned Fund Balance.

NOW, THEREFORE, BE IT RESOLVED, by the City Council of the City of Walnut Creek as follows:

Section 1. The Council hereby approves and defines the various components of Fund Balance reported by the City as defined in Governmental Accounting Standards Board Statement No. 54 effective starting with the current (July 1, 2010-June 30, 2011) fiscal year.

Section 2. The City Council delegates to the City Manager the authority to carry thru Council direction related to those components of Fund Balance that are reported as "Assigned" in the City's Comprehensive Annual Financial Report.

Section 3. The City Council has determined that the specific purposes for which the Catastrophic Emergency commitment may be used are the actual or threatened existence of conditions of disaster or of extreme peril to the safety of persons and property within this City caused by such conditions as fire, flood, storm, epidemic, riot, earthquake, nuclear disaster, tornado, or terrorism. These uses may only be changed by approval of a subsequent resolution.

Section 4. The City Council has determined that the specific purposes for which the Compensated Absences commitment may be used is to fund payouts of accumulated leave due upon separation from City employment that exceed the regularly budgeted amount for this purpose. These uses may only be changed by approval of a subsequent resolution.

Section 5. The City Council has determined that the specific purposes for which Dental Claims commitment is to be used is to pay claims awarded against the City during the budget period that exceed the regularly budgeted amounts for this purpose. These uses may only be changed by approval of a subsequent resolution.

Section 6. The City Council has determined that the specific purposes for which the Fiscal Emergency commitment may be used are in the event of that the combined revenues (projected or actual) of property tax, sales tax, and departmental revenues decline more than five percent (5%) or in the event that the combined expenditures (projected or actual) of PERS retirement, medical insurance costs, utility costs (electric, gas, and water) and fuel costs increase more than 10%. These uses may only be changed by approval of a subsequent resolution.

Section 7. The City Council has determined that the specific purposes for which Legal Claims commitment is to be used is to pay claims awarded against the City during the budget period that exceed the regularly budgeted amounts for this purpose. These uses may only be changed by approval of a subsequent resolution.

Section 8. The City Council has determined that the specific purposes for the PERS commitment is to provide funding set aside for costs either to pay down future liabilities or smooth large increases anticipated for the next budget cycle, whichever is the most fiscally advantageous. These uses may only be changed by approval of a subsequent resolution.

Section 9. The City Council has determined that the specific purposes for which Radio Communications commitment is to set aside funding for the City's upcoming purchase of radios for

police and public services staff and investment in infrastructure needed to facilitate emergency response and communications on a regional basis. These uses may only be changed by approval of a subsequent resolution.


Section 10. The City Council has determined that the specific purposes for which Workers Compensation commitment is to be used is to pay workers compensation awards that exceed the regularly budgeted amount for this purpose. These uses may only be changed by approval of a subsequent resolution.

PASSED AND ADOPTED by the City Council of the City of Walnut Creek at a regular meeting thereof held on the 7th day of June 2011, by the following called vote:

AYES: Councilmembers: Lawson, Rajan, Simmons, Skrel, Mayor Silva

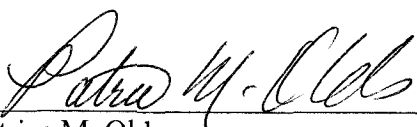
NOES: Councilmembers: None

ABSENT: Councilmembers: None



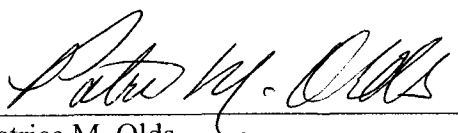
Cindy Silva
Mayor of the City of Walnut Creek

Attest:



Patrice M. Olds
City Clerk of the City of Walnut Creek

I HEREBY CERTIFY the foregoing to be a true and correct copy of Resolution No.11-30, duly passed and adopted by the City Council of Walnut Creek, County of Contra Costa, State of California, at a regular meeting of said Council held on the 7th day of June 2011.



Patrice M. Olds
City Clerk of the City of Walnut Creek