

Resolution No. 2026-066

A RESOLUTION OF THE COUNCIL OF THE CITY OF SANTA BARBARA APPROVING THE PLAN TO REPLENISH RESERVES AS REQUIRED BY RESOLUTION NO. 23-124, THE POLICIES FOR RESERVES

WHEREAS, the City has established policies regarding reserves for the various City funds for the purpose of providing consistent designations for different categories of reserves, ensuring fiscal security for the funds, and defining standards for minimum amounts to be maintained in reserves;

WHEREAS, General Fund actual reserve balances are below the target specified in the reserve policy;

WHEREAS, contingency reserves are intended to be used for unexpected events or situations;

WHEREAS, disaster reserves are restricted for use in addressing financial impacts of natural disasters, such as storm, floods, wildfires, droughts, tsunamis, earthquakes, and any other event that results in significant damage to City facilities and infrastructure of significant reduction of normal operating revenues;

WHEREAS, any use of reserves is recommended to include an assessment of the fiscal condition and outlook of the fund's fiscal condition and an evaluation of the impacts of the events that triggered the need to use reserves, a balancing strategy to minimize the use of reserves including expenditure reductions and revenue enhancements, and plan to replenish reserves; and

WHEREAS, the replenishment plan should include a strategy for how reserves are to be restored.

NOW, THEREFORE, BE IT RESOLVED BY THE COUNCIL OF THE CITY OF SANTA BARBARA THAT:

1. Council has adopted an Operating and Capital Budget for FY2027 that does not replenish General Fund reserves;
2. Staff will schedule a Finance Committee meeting no later than August 25, 2026, to discuss potential budget balancing options, including revenue generating and expenditure reduction options, and forward recommendations to the City Council; and

3. Council commits to identifying and implementing, during FY2027, a long-term strategy that includes a plan for how the reserves will be restored.

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STATE OF CALIFORNIA)
)
COUNTY OF SANTA BARBARA) ss.
)
CITY OF SANTA BARBARA)

I HEREBY CERTIFY that the foregoing resolution was adopted by the Council of the City of Santa Barbara at a meeting held on June 30, 2026, by the following roll call vote:

- AYES: Councilmembers Eric Friedman, Oscar Gutierrez, Meagan Harmon, Mike Jordan, Wendy Santamaria, Kristen W. Sneddon; Mayor Randy Rowse.
- NOES: None.
- ABSENT: None.
- ABSTENTIONS: None.

IN WITNESS WHEREOF, I have hereto set my hand and affixed the official seal of the City of Santa Barbara on June 30, 2026.



Sarah P. Gorman

Sarah P. Gorman, MMC
City Clerk Services Manager

I HEREBY APPROVE the foregoing resolution on June 30, 2026.

Randy Rowse

Randy Rowse
Mayor