

RESOLUTION NO. 25-3063

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF ARTESIA, CALIFORNIA, ADOPTING A GENERAL FUND RESERVE POLICY

THE CITY COUNCIL OF THE CITY OF ARTESIA, CALIFORNIA DOES HEREBY RESOLVE:

WHEREAS, the City of Artesia ("City") desires to establish comprehensive financial policies;

WHEREAS, the City has not adopted a formal General Fund Reserve Policy;

WHEREAS, the City is current on its Annual Comprehensive Financial Report (ACFR) through Fiscal Year ended June 30, 2024;

WHEREAS, the level of reserves and recommended uses may be reviewed each year at budget adoption; and

WHEREAS, the City desires to establish the amount of the Committed Reserve with the General Fund Reserve Policy (Attachment A) subsequent to the adoption of the Fiscal Year 2025-26 Budget;

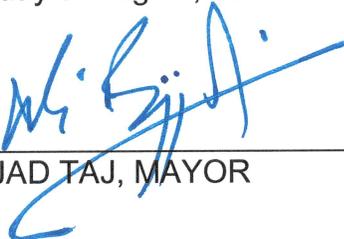
NOW, THEREFORE, THE CITY COUNCIL OF THE CITY OF ARTESIA DOES HEREBY RESOLVE, DETERMINE AND ORDER AS FOLLOWS:

SECTION 1. Approve and adopt the General Fund Reserve Policy attached hereto as Attachment A and incorporated herein by reference;

SECTION 2. Authorize City staff to take all actions necessary to carry out and implement the Policy.

SECTION 3. The City Clerk shall certify to the passage of this Resolution.

PASSED, APPROVED, and ADOPTED this 11th day of August, 2025.



ALI SAJJAD TAJ, MAYOR

ATTEST:



JENNIFER ALDERETE, CITY CLERK

APPROVED TO FORM:



BEST BEST & KRIEGER, CITY ATTORNEY

I, Jennifer Alderete, City Clerk of the City of Artesia, do hereby certify that the foregoing Resolution was adopted at the Regular City Council Meeting held on the 11th day of August 2025, by the following vote:

AYES: COUNCILMEMBERS: AHIR, MANALO, RAMOSO, TREVINO, TAJ
NOES: NONE
ABSENT: NONE
ABSTAIN: NONE



JENNIFER ALDERETE, CITY CLERK

(Attachment A)
General Fund Reserve Policy

City of Artesia
General Fund
Fund Balance Reserve Policy

I. BACKGROUND/PURPOSE

The City of Artesia provides a wide range of services that impact the public safety and the quality of life of its residents and community members every day. Appropriate reserves are a key attribute of a financially stable organization and are an important component of the City's overall financial health. Strong reserves position an organization to weather significant economic downturns more effectively, manage the consequences of outside agency actions that may result in revenue reductions, and address unexpected emergencies. Establishing a formalized Reserve Policy (the "Policy") will serve as the framework to enable the City to meet its financial commitments and address unexpected future events in a fiscally prudent manner.

II. POLICY

This policy is designed to mitigate current and future risks and to ensure a balanced budget.

Beginning with the Fund Balance for Fiscal Year ended June 30, 2024, establish target General Fund Committed Fund Balance at a minimum of 45% of General Fund Expenditures.

III. USE OF RESERVE FUNDS

- a) Purpose: These funds are committed to mitigate economic uncertainties, local disasters, and other financial hardships or downturns in the local or national economy.
- b) Target Level: The City's target will be 45% of the General Fund operating expenditures.
- c) Events or Conditions Prompting Its Use: This reserve may be utilized as needed to pay outstanding operating expenditures due to budgeted revenue shortfalls. Use may include, but is not limited to:
 - i. Significant decrease in sales, property, or transactions and use tax, or other revenues.
 - ii. Reductions in revenue due to actions by the state/federal government.

IV. PERIODIC REVIEW

While the City's financial reserves provide security against unexpected emergencies and contingencies, the policies for setting those target levels should be periodically reviewed to balance the community's level of risk tolerance against the City's operating expenditure needs. Staff will bring forward a Reserve Policy for adoption annually, with the Fiscal Year Budget.

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