



City of Walnut Creek 2014-2016

General Fund Reserves

| | Ending Balance 6/30/2013 | Ending Balance 6/30/2014 | Estimated Balance 6/30/2015 |
|--|--------------------------------|--------------------------------|-----------------------------------|
| General Fund Reserves as of 6 Month Budget Update | | | |
| Nonspendable**** | | | |
| 1. Advance to Other Funds** | 7,016,000 | 6,593,229 | 5,026,041 |
| 2. Inventory | 40,833 | 29,016 | 30,000 |
| 3. Interfund Loan | - | 442,756 | 402,355 |
| 4. Prepaid Expense | 150,294 | 179,512 | 150,000 |
| Committed | | | |
| 5. Catastrophic Emergency - To be used in the event of 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. Policy is that the minimum budgeted reserve should equal 10% of annual General Fund budgeted operating expenditures. | 6,683,733 | 6,935,687 | 7,436,952 |
| 6. Compensated Absences - To fund payouts of accumulated leave due upon separation from City employment that exceed the regularly budgeted amount for this purpose. Policy is to set a reserve equal to the projected one-year liability based on the previous year's experience. | 143,208 | 188,245 | 180,000 |
| 7. Dental Claims - To fund dental self-insurance program claims that exceed the regularly budgeted amount for this purpose. Policy is to reserve an amount equal to six months of budgeted dental expenses. | 236,669 | 212,999 | 220,000 |
| 8. Fiscal Emergency - This reserve is to cover declines of more than 5% of property tax, sales tax, or departmental revenues or increases of more than 10% in PERS, medical costs, utility (electric, gas, and water), or fuel. Policy is to set aside in amount equal to 5% of the annual General Fund revenue budget for property tax, sales tax, and departmental revenue, plus 5% of the annual General Fund expenditure budget for PERS and medical costs. | 3,677,606 | 3,683,371 | 4,138,704 |
| 9. Legal Claims - To pay claims awarded against the City during the budget period that exceed the regularly budgeted amount for this purpose Policy is to reserve an amount based on the City's 5 year claim history, but no less than \$3 million. | 3,000,000 | 3,000,000 | 3,000,000 |
| 10. PERS Liability** - Funding set aside for PERS costs either to pay down future liabilities or smooth large increases anticipated for the next budget cycle, whichever is the most fiscally advantageous. | 168,923 | 168,923 | 168,923 |
| 11. Worker's Compensation** - This reserve is to pay worker compensation awards that exceed the regularly budgeted amount for this purpose. Policy is to set aside an amount equal to twice the annual expenses paid out over the previous five years, but no less than \$2 million. | | 697,315 | 1,673,959 |
| Assigned | | | |
| 12. ARCS Scholarships | 48,730 | 46,923 | 45,000 |
| 13. Contractual Commitments - Encumbrances | 1,377,379 | 1,448,689 | 1,200,000 |
| 14. Library | - | 460,000 | - |



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| | Ending Balance 6/30/2013 | Ending Balance 6/30/2014 | Estimated Balance 6/30/2015 |
|--|--------------------------------|--------------------------------|-----------------------------------|
| General Fund Reserves as of 6 Month Budget Update | | | |
| Unassigned | | | |
| 15. City Manager Contingency - For City Manager use to fund unanticipated needs not otherwise included in budget, within limits of the City Manager's discretionary authority without needing prior Council approval. This amount covers a two year budget cycle. | 71,824 | 41,024 | 69,000 |
| 16. Council Contingency*** - For Council to use to take advantage of unforeseen opportunities or problems that may occur during the budget cycle. Policy is that the minimum budgeted reserve should equal a flat \$100,000 per year. | 123,943 | 72,428 | 100,000 |
| 17. Unassigned Fund Balance - adjustments based on other reserve activities | 7,932,835 | 7,699,195 | 5,161,428 |
| Fund Balance, End of Year | 30,671,977 | 31,899,312 | 29,002,362 |

*Per GASB 54, when the City has the ability to expend various resources in different Fund Balance classifications, the order of use has to be specified. The City's order of use will be as follows: Restricted Fund Balance, Committed Fund Balance, Assigned Fund Balance, and lastly, Unassigned Fund Balance.

**These committed reserves were used to pay the PERS Safety Side Fund Liability. A Council approved repayment schedule restores the borrowed amounts prior to the funds being needed (\$2M for Workers Compensation and \$4.8M for PERS Liability).

***Council Contingency reserve represents Council action on May 6, 2014.

****The portion of the fund balance that is not spent because they are in a non-spendable form like prepaid items or inventory of supplies or loan receivables.

Reserve Calculations

| | Adjusted 2014-15 | Adjusted 2015-16 | Projected 2016-17 | Projected 2017-18 | Projected 2018-19 | Projected 2019-20 | Projected 2020-21 | Projected 2021-22 | Projected 2022-23 | Projected 2023-24 |
|--|---------------------|---------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|
| Operating Expenditures | 74,369,517 | 76,142,400 | 78,408,605 | 81,419,307 | 84,316,318 | 85,210,144 | 87,649,236 | 90,092,813 | 92,640,380 | 95,262,198 |
| Property Taxes | 18,784,520 | 19,591,924 | 19,983,028 | 20,671,047 | 21,382,996 | 21,891,456 | 22,412,078 | 22,945,153 | 23,490,977 | 24,049,857 |
| Sales and Use Tax | 21,078,719 | 22,229,855 | 23,730,371 | 24,750,777 | 25,567,552 | 26,360,146 | 27,085,050 | 27,762,177 | 28,386,826 | 28,982,949 |
| Departmental Revenues | 29,996,660 | 30,819,277 | 31,188,484 | 32,007,743 | 32,859,875 | 33,664,316 | 34,429,084 | 35,213,142 | 36,030,550 | 36,871,232 |
| PERS Misc. | 3,361,197 | 3,930,294 | 4,918,313 | 5,263,268 | 5,641,865 | 6,035,602 | 6,156,408 | 6,279,537 | 6,430,245 | 6,584,571 |
| PERS Safety | 3,242,223 | 3,830,054 | 3,536,281 | 3,842,565 | 4,141,383 | 4,448,351 | 4,525,510 | 4,541,327 | 4,555,297 | 4,567,322 |
| Safety Side Fund | 1,664,298 | 1,744,298 | 1,824,298 | 1,904,298 | 1,992,283 | - | - | - | - | - |
| Medical | 4,245,739 | 4,789,329 | 4,893,767 | 5,148,243 | 5,415,951 | 5,697,581 | 5,993,855 | 6,305,536 | 6,633,423 | 6,978,361 |
| Deferred Medical | 400,729 | 395,737 | 395,737 | 395,737 | 395,737 | 395,737 | 395,737 | 395,737 | 395,737 | 395,737 |
| RESERVES | | | | | | | | | | |
| Catastrophic Emergency (10% Operating Expenditures) | 7,436,952 | 7,614,240 | 7,840,860 | 8,141,931 | 8,431,632 | 8,521,014 | 8,764,924 | 9,009,281 | 9,264,038 | 9,526,220 |
| Fiscal Emergency (5% Revenue + 5% Medical+PERS) | 4,138,704 | 4,366,538 | 4,523,514 | 4,699,184 | 4,869,882 | 4,924,659 | 5,049,886 | 5,172,130 | 5,296,153 | 5,421,501 |
| Reserve Addition-LTFF | 956,598 | 405,122 | 383,596 | 476,740 | 460,399 | 144,160 | 369,136 | 366,602 | 378,779 | 387,531 |
| PERS Liability Committed Fund Balance (based on PERS Side Fund Repayment Schedule) | 168,923 | 168,923 | 1,169,204 | 2,944,012 | 4,868,923 | 4,868,923 | 4,868,923 | 4,868,923 | 4,868,923 | 4,868,923 |