



RESOLUTION NO. 7300

A RESOLUTION ADOPTING STABILIZATION FUND POLICY F-16-24-001

WHEREAS, a severe economic downturn or major unforeseen event could cause the long-term or permanent decline of a significant portion of revenues supporting critical basic operations; and

WHEREAS, such decline could not be absorbed by a department or fund so affected, and

WHEREAS, a stabilization fund would provide temporary support for critical basic operations in such an event; and

WHEREAS, a stabilization fund would also help to protect and enhance the City's credit rating, and

WHEREAS, a discussion was conducted at the February 28, 2024, City Council meeting;

NOW, THEREFORE, BE IT RESOLVED by the Albany City Council that Exhibit A is adopted as the Stabilization Fund Policy for the City of Albany.

DATED AND EFFECTIVE THIS 28TH DAY OF FEBRUARY 2024.

Mayor


ATTEST:

City Clerk



City of Albany Stabilization Fund Policy



	<p>City of Albany Finance Policy Policy #: F-16-24-001 Title: Stabilization Fund</p>	
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I. POLICY STATEMENT

The City of Albany will maintain a stabilization fund in accordance with the guidelines below.

II. PURPOSE

1. The purpose of the stabilization fund is to provide for severe economic downturns or major unforeseen events where a significant portion of revenues supporting critical basic operations are projected to decline for more than two years or permanently, and such decline cannot be absorbed by the department or fund. In these events, the City will need time to affect reductions, consolidate operations, reprioritize critical programs or implement an alternate revenue source. The stabilization fund will provide temporary support to minimize the impacts to citizens who rely on these critical operations.
2. The stabilization fund will also be maintained to protect and enhance the City's credit rating. If the City's reserves temporarily fall below desired levels, the stabilization fund will help ensure that the City's credit rating is not adversely affected.

III. FUNDING

1. The fund will be capped at two million dollars.
2. Initial funding: the fund will be seeded by one-time monies.
3. The General Fund Stabilization Fund can be funded as follows:
 - a. 0.5 percent of the City Services Fee
 - b. Excess revenues and/or additional allocations from the general fund as recommended by the Finance Director and approved by the City Manager. Examples of excess revenues include one-time payments from franchisees as a result of an audit, refunds or other one-time discretionary payments not anticipated to be needed for current operations.
4. As the stabilization fund is used, it will be replenished by the methods listed above as soon as reasonably practicable.

IV. EXPENDITURES

The General Fund Stabilization Fund will only be used to provide temporary support for critical basic services and operations meeting the criteria established by this policy. In no event will the stabilization fund be used to fund new programs or to fund expenditures that should otherwise be funded with operating revenues, contingencies, and reserves.

V. REQUESTS

All requests for use of the stabilization fund will include the following:

1. Projection of revenues indicating a decline for more than two years or a permanent decline as a result of an economic downturn or an unforeseen event

2. Analysis that revenue decline is so significant that it cannot be absorbed in the department or fund's operating budget through increases in other revenues or reduction of current expenditures
3. Determination that critical basic services and operations will be affected and citizens will be negatively impacted
4. Determination that the request meets any other criteria determined by Council
5. Plan of action and long-term financial solution to address the revenue shortfall

VI. COUNCIL APPROVAL

All requests for use of stabilization fund monies will be presented to Council along with the City Manager's recommendation. The City Council will make the final decisions concerning appropriation of funds from the stabilization fund.

Supersedes: Res. No.	Created/Amended by/date: February 12, 2024	Effective Date: February 28, 2024	Reviewed by Council: February 28, 2024
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