

Folsom City Council Staff Report

MEETING DATE:	3/10/2026
AGENDA SECTION:	New Business
SUBJECT:	Resolution No. 11567 - A Resolution Directing the Finance Director to Make a Transfer of \$718,278 of Available General Fund Reserve from the General Fund (Fund 010) with \$50,000 to the IT Equipment Fund (Fund 603), \$334,139 to the Facility Rehabilitation Fund (Fund 602), and \$334,139 to the Park/Trail Maintenance Fund (Fund 609)
FROM:	Finance Department

RECOMMENDATION / CITY COUNCIL ACTION

The Finance Director respectfully recommends that the City Council pass and adopt Resolution No. 11567 – A Resolution Directing the Finance Director to Make a Transfer of \$718,278 of Available General Fund Reserve from the General Fund (Fund 010) with \$50,000 to the IT Equipment Fund (Fund 603), \$334,139 to the Facility Rehabilitation Fund (Fund 602), and \$334,139 to the Park/Trail Maintenance Fund (Fund 609).

BACKGROUND / ISSUE

The Undesignated Fund Balances (Reserves) General Fund Reserve Policy states under the Transfer of Amounts in Excess of Specified Reserve section the following:

“To the extent funds accumulate in excess of the percentage of 20%, such funds shall be transferred to the Capital Projects Fund. This transfer shall be made upon completion of the annual financial audit. It is the intent of the City Council to affect such transfers through a Mid-Year Budget Resolution”

After the completion of the Fiscal Year 2024-25 annual financial audit, the General Fund had an unassigned fund balance of \$25,335,749, exceeding the City Council’s top range 20% reserve policy by \$718,278. This unassigned fund balance in excess of the 20% reserve policy

is the result of careful financial management by the City Council to allow for this one-time transfer.

FINANCIAL IMPACT

If the City Council approves a one-time transfer of available unassigned fund balance in accordance with the reserve policy, staff recommends the transfer of \$718,278 from the General Fund (Fund 010) with \$50,000 to the IT Equipment Fund (Fund 603), \$334,139 to the Facility Rehabilitation Fund (Fund 602), and \$334,139 to the Park/Trail Maintenance Rehabilitation Fund (Fund 609). This transfer would reallocate available General Fund reserves above the established policy threshold to address identified capital and maintenance needs.

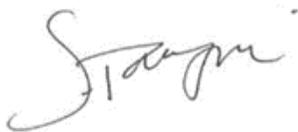
POLICY / RULE

Financial Policy VI. Undesignated Fund Balances (Reserves) amended December 12, 2023, states that the City shall maintain an Undesignated Fund Balance (reserve) for the General Fund with a target reserve range of 17% - 20% of the annual operating expenditures.

ATTACHMENT

1. Resolution No. 11567 - A Resolution Directing the Finance Director to Make a Transfer of \$718,278 of Available General Fund Reserve from the General Fund (Fund 010) with \$50,000 to the IT Equipment Fund (Fund 603), \$334,139 to the Facility Rehabilitation Fund (Fund 602), and \$334,139 to the Park/Trail Maintenance Fund (Fund 609)

Submitted,



Stacey Tamagni, Finance Director/CFO
Office of Management and Budget

RESOLUTION NO. 11567

A RESOLUTION DIRECTING THE FINANCE DIRECTOR TO MAKE A TRANSFER OF \$718,278 OF AVAILABLE GENERAL FUND RESERVE FROM THE GENERAL FUND (FUND 010) WITH \$50,000 TO THE IT EQUIPMENT FUND (FUND 603), \$334,139 TO THE FACILITY REHABILITATION FUND (FUND 602), AND \$334,139 TO THE PARK/TRAIL MAINTENANCE FUND (FUND 609)

WHEREAS, the City shall maintain an Undesignated Fund Balance (reserve) for the General Fund in the range of 17% - 20%; and

WHEREAS, to the extent funds accumulate in excess of the percentage of 20%, such funds shall be transferred to the Capital Projects Fund; and

WHEREAS, this transfer shall be made upon completion of the annual financial audit; and

WHEREAS, it is the intent of the City Council to affect such transfers through a Mid-Year Budget Resolution; and

WHEREAS, after the completion of the Fiscal Year 2024-25 annual financial audit, the General Fund had an unassigned fund balance of \$25,335,749, exceeding the City Council's top range 20% reserve policy by \$718,278; and

WHEREAS, staff recommends transferring the available reserve balance in the General Fund to capital projects funds in accordance with the reserve policy amended by the City Council at the December 12, 2023 City Council meeting; and

WHEREAS, sufficient funds are available in the General Fund unassigned fund balance to make the transfer:

NOW, THEREFORE, BE IT RESOLVED that the City Council of the City of Folsom directs the Finance Director to make a transfer of 718,278 from the General Fund (Fund 010) with \$50,000 to the IT Equipment Fund (Fund 603), \$334,139 to the Facility Rehabilitation Fund (Fund 602), and \$334,139 to the Park/Trail Maintenance Rehabilitation Fund (Fund 609) .

PASSED AND ADOPTED this 10th day of March, 2026, by the following roll-call vote:

AYES: Councilmember(s):
NOES: Councilmember(s):
ABSENT: Councilmember(s):
ABSTAIN: Councilmember(s):

Justin Raithel, MAYOR

ATTEST:

Christa Freemantle, CITY CLERK

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to facilitate double-sided printing
and minimize paper use.*



CITY OF
FOLSOM
DISTINCTIVE BY NATURE