


# Estimated To-Date Impact on the Reserve Fund (#002)

- The **Reserve Fund** “maintains and provides money to the General Fund and other funds, when necessary, in order to respond to **unexpected events** such as **economic instability**, **public emergencies**, or **cash flow issues**.” (Section 12: Fund Structure, p. 28 of the Financial Management Policy)
- A **proposal to replenish the Reserve Fund**, with options, will be presented as part of the Biennial Budget process.
- **Changes to Report:** 
  - The President has approved a Major Disaster Declaration and the City will need to submit documentation to FEMA. We do not expect this to materially change the reimbursement.
  - Deadline is **May 7, 2026**.

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<b>Beginning Cash as of 11/30/2025</b>	<b>\$ 3,230,000</b>
<b>Flood Event Cost</b>	<b>\$ (667,000)</b>
<b>Flood Event Financial Assistance/Recoveries</b>	
<i>Federal Disaster Assistance (Estimated)</i>	\$ 401,000
<i>State Disaster Assistance</i>	???
<i>Insurance Recoveries</i>	???
<b>Total Assistance/Recoveries =</b>	<b>\$ 401,000</b>
<b>Interest Earned</b>	<b>\$ 92,000</b>
<b>Ending Cash as of 12/31/2026</b>	<b>\$ 3,056,000</b>

## Estimated To-Date Impact on the Reserve Fund (#002)

- The **Reserve Fund** has been typically funded through transfers of unrestricted cash from the General Fund when sources of cash exceed uses of cash within the General Fund.
- The interest earned from investing Reserve Fund cash helps to supplement General Fund transfers.

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- **Question from Councilmember:** “How much has the flood event lowered our reserves as a percentage of General Fund ongoing expenditures?”
- **Our reserve target is 15%.**
- **If we recover money from the Federal Government,** leaving an ending cash balance of \$3.1M, then our reserves will be an estimated **14.2%** of General Fund ongoing expenditures.
- **If we don't recover any federal money,** then our reserves will drop to **11.7%** of General Fund ongoing expenditures.