

BUDGET AND FINANCE COMMITTEE REPORT and RESOLUTION relative to authorizing interfund borrowing from the City's Reserve Fund to pay certain judgment or settlement obligations, and related matters.

Recommendation for Council action:

ADOPT the accompanying RESOLUTION authorizing interfund borrowings, loans, or advances from the City's Reserve Fund to pay certain judgment or settlement obligations, which judgment or settlement payments if approved would amount to approximately \$5.8 million in the aggregate, and declaring the intention to reimburse and/or refund the City's Reserve Fund loans or advances with proceeds of a judgment obligation bond issuance and adopting certain findings and determinations to allow for a potential judgment obligation bond issuance in the future.

Fiscal Impact Statement: The City Administrative Officer (CAO) reports that approval of this recommendation will not impact the General Fund, as this recommendation does not approve any judgment or settlement agreements or related expenditures. However, approval of the settlements and judgments that the Council is considering or will be considering for the purpose of resolving certain claims against the City, which are associated with the recommended resolution, will reduce the Reserve Fund by approximately \$5.8 million in the aggregate. Depending on future financing options approved, however, the Reserve Fund could potentially be restored at a later date upon reimbursement with bond proceeds.

Financial Policies Statement: The CAO reports that approval of the recommendation in this report is in compliance with the City's Financial Policies as there is no fiscal impact to the General Fund.

Debt Impact Statement: The CAO reports that approval of the recommendation in this report is in compliance with the City's Financial Policies as there is no fiscal impact to the General Fund.

Community Impact Statement: None submitted

Summary:

On January 21, 2025, your Committee considered a CAO report and Resolution relative to authorizing interfund borrowing from the City's Reserve Fund to pay certain judgment or settlement obligations, and related matters.

After providing an opportunity for public comment, the Committee moved to approve the recommendation in the CAO report as stated above. This matter is now forwarded to the Council for its consideration.

Respectfully Submitted,
BUDGET AND FINANCE COMMITTEE

<u>MEMBER</u>	<u>VOTE</u>
YAROSLAVSKY:	YES
BLUMENFIELD:	YES
HUTT:	YES
McOSKER:	YES
HERNANDEZ:	YES

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-NOT OFFICIAL UNTIL COUNCIL ACTS-