

RESOLUTION NO. 2019-_____

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF DESERT HOT SPRINGS, COUNTY OF RIVERSIDE, STATE OF CALIFORNIA, AMENDING RESOLUTION 2015-050 TO ESTABLISH A \$3 MILLION CAP ON THE EMERGENCY RESERVE FUND

WHEREAS, the City of Desert Hot Springs ("City") is a charter city and recognized for certain purposes as a political subdivision of the State of California; and

WHEREAS, on October 6, 2015, the City Council approved Resolution 2015-050 which established the Emergency Reserve Fund; and

WHEREAS, the source of funding for the Emergency Reserve Fund is 25% of the annual marijuana tax revenues; and

WHEREAS, the purpose of the Emergency Reserve Fund is to sustain the City's General Fund operations in the case of a fiscal/financial emergency; and

WHEREAS, a fiscal/financial emergency was defined as "if the financial state of the City is in such a condition that the City is or will be unable to pay its general obligations within the next 60 days and that such a condition jeopardizes the health, safety, or well-being of the residents of the City;" and

WHEREAS, based on the 2018-2019 Fiscal Year Budget, 60 days of General Fund obligations is estimated to be \$3 million; and

WHEREAS, City Council deems it appropriate to establish a \$3 million cap on the Emergency Reserve Fund; and

WHEREAS, this Resolution is to be in the best interest of the public' health, safety, and welfare.

NOW, THEREFORE, BE IT RESOLVED DETERMINED, AND ORDERED BY THE CITY COUNCIL, AS FOLLOWS:

Section 1. Recitals

That all of the above recitals are true and correct.

Section 2. Amendment of Section 3 of Resolution 2015-050

The City Council hereby amends Section 3 of Resolution 2015-050 to read as follows:

That at least 25 percent of the proceeds of the tax revenue collected by the City pursuant to Measure HH and Measure II shall be deposited in the Emergency Reserve Fund. The Emergency Reserve Fund shall be capped at \$3,000,000. Any funds in excess of \$3,000,000 shall be placed in the General Fund and shall be used by the City in any lawful manner, as proscribed by law.

Section 3. Remainder of Resolution 2015-050

The remainder of Resolution 2015-050 shall be left unchanged, and shall remain in full force and effect.

Section 4. Effective Date

That this Resolution shall take effect immediately upon its adoption..

Section 5. Severability

That should any provision, section, paragraph, sentence or word of this Resolution be rendered or declared invalid by any final court action in a court of competent jurisdiction or by reason of any preemptive legislation, the remaining provisions, sections, paragraphs, sentences or words of this resolution as hereby adopted shall remain in full force and effect.

Section 6. Repeal of Conflicting Resolutions

That the City Council hereby repeals any prior resolutions which may conflict with this Resolution.

Section 7. Certification

That the City Clerk shall certify as to the adoption of this Resolution and shall cause the same to be processed in the manner required by law.

PASSED AND ADOPTED by the City Council of the City of Desert Hot Springs at a regular meeting held on this 3rd day of September, 2019 by the following vote:

AYES:

NAYS:

ABSENT:

ABSTAIN:

[SIGNATURES FOLLOW ON THE NEXT PAGE]

ATTEST:

Jerryl Soriano, City Clerk

APPROVED:

Scott Matas, Mayor

APPROVED AS TO FORM:

Jennifer Mizrahi, City Attorney