

City of Oceanside
Office of the City Manager

Memorandum

To: Mayor and Councilmembers

From: Jonathan Borrego, City Manager
Jill Moya, Financial Services Director

Date: April 15, 2026

Subject: **City Reserve Accounts Overview**

JB
JM

The purpose of this memorandum is to provide an overview of the City’s reserve accounts to support Council awareness of available resources and financial planning.

The table below summarizes reserve balances for fiscal years 2022/23 through 2025/26. These reserves represent resources set aside to manage financial risk, address one-time needs, and fund future obligations.

	FY 25/26	FY 24/25	FY 23/24	FY 22/23
General Fund Reserves				
Healthy City/Econ. Stab.	\$38,223,343	\$38,223,343	\$36,321,227	\$33,894,000
Infrastructure Reserves	60,216,756	61,774,625	44,492,346	35,684,520
Pension Reserves	24,128,631	23,388,554	22,116,383	21,197,658
Employee Cost Reserves	1,728,923	1,728,923	1,641,781	2,841,207
Unassigned	5,274,219	6,435,266	3,374,755	6,937,036
Internal Service Reserves				
Fleet Reserves	13,495,999	16,265,545	9,910,010	10,897,544
IT Reserves	3,673,451	3,569,422	3,411,339	5,705,126
Building Maintenance Reserves	\$3,723,446	\$4,685,187	\$3,693,036	\$3,209,779

General Fund Reserves

General Fund reserves are established in accordance with Council Policy 200-13 and are used to maintain financial stability and plan for future obligations. These reserves include:

- Healthy City and Economic Stabilization Reserves, maintained at policy targets to provide stability during economic downturns or revenue volatility
- Infrastructure Reserves, which support future capital and infrastructure needs
- Pension Reserves, which help manage volatility in retirement system costs
- Employee Cost Reserves, including funding for accrued leave payouts
- Unassigned Fund Balance, which provides flexibility for one-time, non-recurring needs

Internal Service Reserves

In addition to General Fund reserves, the City maintains Internal Service Fund reserves to support the replacement and maintenance of critical assets and systems. These reserves are used to plan for large, periodic expenditures and to ensure continuity of operations. Key reserves include:

- Fleet Reserves, which fund the lifecycle replacement of vehicles and equipment used across City departments
- Information Technology (IT) Reserves, which support replacement and upgrades of hardware, software, and cybersecurity infrastructure
- Building Maintenance Reserves, which fund major repairs and upkeep of City facilities to prevent deferred maintenance

Summary

Together, these reserves provide the City with financial stability, operational continuity, and the ability to address both planned and unforeseen costs in a structured and sustainable manner.