

DRAFT

City Council Policy

CITY BUDGET COMMITTEE (STANDING COMMITTEE)

PURPOSE:

The budget is the most important policy document approved by the City Council each year. It should reflect the priorities of the Council to the extent possible given financial resources.

Once a year, the City Council approves a budget that outlines the policies and fiscal actions to be taken by the City. The City Council periodically reviews and provide policy guidance to staff related to the budget.

BUDGET PROCESS:

The budgeting process has four parts. The budget is: 1) prepared, 2) approved, 3) adopted, and 4) executed.

A fiscal year begins July 1 and ends June 30. From January or February to June, every year, City staff and the City Council work together to create a budget by June 30.

The City Manager is responsible for keeping the full City Council apprised of the City's fiscal condition. This can be accomplished in the following ways:

1. Providing at least once annually an update with the long-term view on the City's budget, using the long-term financial model as the foundation. This will usually occur during a budget workshop or other Council item in the Spring of each year.
2. Providing quarterly reports to the full Council on the budget (General Fund, and Enterprise Funds). These updates provide regular, periodic updates on the City's budget.
3. Informing the Council whenever there is significant news affecting the City's budget, such as changes in Federal or state funding that might affect the City.
4. Including the fiscal impact of Council decisions in agenda reports.

BUDGET COMMITTEE:

The Budget Committee plays a valuable role in developing the budget by providing feedback and input to the City Manager, who will present the DRAFT budget to the full Council. The Budget Committee's roles include:

- a. Reviewing and commenting on all aspects of the budget, including assumptions regarding revenue, long-term projections, the Capital Improvement Plan (CIP), and operating budgets. Committee member comments on particular budget issues can be included in the budget documents.
- b. Reviewing and commenting on projects or other ideas for consideration in the budget that are submitted by individual City Councilmembers.
- c. Requesting information and analysis by staff; these requests need to be balanced with other Council-approved priorities.
- d. The Budget Committee will receive the initial recommended draft Budget; and will meet to discuss the recommendations of the City Manager, and with Department Heads as appropriate.
- e. Upon review and recommendations from the Budget Committee, the City Manager will produce a final draft Budget to be presented to the City Council at a duly noticed public hearing for discussion, review, and approval.

This committee may also consider and make recommendations to the Council on matters relating to:

- Revenues
- Expenditures
- Capital Improvement projects
- Fiscal Planning and Policies;
- Taxes and Fees;

- Investment Policy;
- Debt; and
- Such related fiscal issues as may be referred to the Budget Committee by the Council.

Question For Consideration:

Should the Budget Committee preview agenda items with financial implications? Such As:

- If an item is in an approved budget, should it go to the Budget Committee prior to the full Council?
- Should budget items under the purview of another Council Committee also be reviewed by the Budget Committee before going to the full Council?
- Note: The City's financial policies delegate authority for some changes to the approved budget to the City Manager. This delegation provides helpful flexibility. Should the Council have an interest in reviewing these policies we suggest addressing this topic after completion of the FY 25-26 budget and if approved as a Council priority.

Other items for Consideration:

- Should the budget committee receive substantial additional information on the City's fiscal situation than the Council as a whole?
- The longer time required to bring items to the Budget Committee prior to a Council meeting
- Staff time required to prepare for and attend additional meetings.
- The role of any oversight committees, should the Council establish them.

COMMITTEE MAKE UP:

The Budget Committee shall consist of the following:

- Two (2) Councilmembers nominated by the Mayor and appointed by the Council
- Committee staff are assigned by the City Manager and may include:
 - Assistant City Manager
 - City Clerk
 - Administrative Services Director
 - Department Directors as Needed

POSTING OF AGENDAS:

An agenda shall be posted for each standing committee meeting not later than 72 hours before any meeting.

PUBLIC INVOLVEMENT:

Public involvement shall be encouraged in the annual budget decision-making process through Standing Committee meetings, public hearings, public outreach, and the dissemination of accessible information. Public participation efforts will allow the City to improve performance by identifying public needs, priorities and service delivery expectations. **Increased public involvement** will allow the City to be more responsive to community needs, thereby increasing the value that the public receives from City government.

ATTENDANCE BY COUNCILMEMBERS NOT ON THE COMMITTEE:

Members of the Council who are not members of a standing committee may attend any open and noticed meeting of a standing committee provided that they act only as observers. It is required that Members do not make any comments.