

Financial Budgetary Policy Amendments



Council Presentation
August 19, 2025



Financial Budgetary Policy

- Last amended in September 2023 and has been amended or reaffirmed each year by City Council since 1997 as part of the budget process
 - Provides guidance on the preparation of the budget
 - Amendments are proposed by staff for:
 - Section 3-General Fund Balance/Working Capital
 - Section 8-Funding Level from General Fund for Residential Street Reconstruction Fund
 - Section 12 - Operating Contingencies
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Section 3-General Fund Balance/Working Capital

- Remove *Working Capital* from the title
 - Remove reference to GFOA recommendation. GFOA updated guidance in 2020 and has moved to a risk-based calculation
 - Remove the reference to building the fund balance as the goal has been met
 - Remove the reference to the 17% and instead base the goal on the 20% of general fund operating expenditures
 - Update the Comprehensive Annual Financial Report to the Annual Comprehensive Financial Report
 - Add that the 20% goal should be calculated on the general operating expenses less any one-time appropriations
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Section 3-General Fund Balance/Working Capital

Section as amended:

“...It is the goal of the City Council to maintain a reserve in the General Fund of an unassigned fund balance of 20% of regular general fund operating expenditures, exclusive of any one-time appropriations. The amount calculated to be 20% of regular general fund operating expenditures, exclusive of any one-time appropriations, will be Reserved for Major Contingencies in a separate account upon completion of the Annual Comprehensive Financial Report (ACFR)...”



Section 8-Funding Level from General Fund for Residential Street Reconstruction Fund

Proposed Amendment-Add *“has not been approved by City Council to date and”* to last sentence along with updated fiscal year 2025-2026

Section as amended:

“The final two cents have not been approved by City Council to date and will not be recommended for FY 2025-2026...”



Section 12-Operating Contingencies

Proposed Amendment- Remove “...is directed...” and add
“...may...up...”

Section as amended:

“The City Manager may budget up to \$500,000 per year as an operating contingency as part of General Fund expenditures ...”



Questions?
