



AGENDA MEMORANDUM

Action Item for the City Council Meeting of June 29, 2021

DATE: June 18, 2021

TO: Peter Zanoni, City Manager

THRU : Constance P. Sanchez, Chief Financial Officer

FROM: Eddie Houlihan, Director of Management and Budget
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Amendment to Financial Budgetary Policies for Fiscal Year (FY) 2021-2022

CAPTION:

Resolution amending the Financial Budgetary Policies for Fiscal Year 2021-2022 to address the appropriation of interest in capital improvement funds, appropriation and restriction of revenue in the Community Enrichment Fund, and to provide financial policy direction on preparation of the annual budgets.

SUMMARY:

The financial budgetary policies for FY 2021-2022 are being recommended for amendment to address two issues: (1) the appropriation of interest in capital improvement funds and (2) the appropriation and restriction of revenue in the Community Enrichment Fund.

BACKGROUND AND FINDINGS:

Annually, City staff reviews the financial budgetary policies for direction on preparing the upcoming, annual budget. The financial budgetary policies for FY 2021-2022 are being recommended for amendment to address two items:

- Section 18 “Capital Improvement Plans/Funding” – This section is being amended to add an phrase to appropriate interest in the capital improvement funds at the beginning of each fiscal year that will then be included in those funds for use on related capital project expenditures.
- Section 23 “Community Enrichment Fund” – This section is being added to describe revenue and expenditures for community enrichment programs and activities not recorded in the General Fund. This revision will appropriate revenue in the Community Enrichment Fund at the beginning of each fiscal year to be restricted as per current City codes. Any unspent appropriations will be authorized to be carried over from fiscal year to fiscal year in the Community Enrichment Fund.

ALTERNATIVES:

An alternative would be to leave the financial budgetary policies as they currently are written.

FISCAL IMPACT:

There is no fiscal impact for this item.

RECOMMENDATION:

Staff recommends approval of the resolution approving two revisions to the Financial Budgetary Policies for FY 2021-2022.

LIST OF SUPPORTING DOCUMENTS:

Resolution - Redline
Resolution - Clean