

Financial Budgetary Policy Amendments



Council Presentation
March 24, 2026



Financial Budgetary Policy

- Last amended in September 2025 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 2** - Current Revenues / Current Expenditures
 - **Section 8** - Funding Level from General Fund for Residential Street Reconstruction Fund
 - **Section 12** - Operating Contingencies



Section 2 – Current Revenues / Current Expenditures

- **Proposed Amendment** - Replace the word *Current* with the word *Recurring*.
 - **Current revenues and current expenditures** traditionally refer to the revenues collected and the funds spent during the current fiscal year.
 - **Recurring revenues and recurring expenditures** clearly signals that revenues and expenditures are ongoing year after year and are expected to continue.



Section 2 – Current Revenues / Current Expenditures

- Section as amended:
“Section 2. Recurring Revenues / Recurring Expenditures. General Fund recurring revenues and funds available from all sources will equal or exceed recurring expenditures.”



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

- **Proposed Amendment** - Remove "...and will not be recommended for FY 2025-2026."
- **Section as amended:**
"The final two cents have not been approved by City Council to date."



Section 12 – Operating Contingencies

- **Proposed Amendment:**
 - **Establish a Stabilization Fund:** Create a fund capped at 5% of recurring General Fund operating expenditures, excluding one-time appropriations.



Section 12 – Operating Contingencies

- Section as amended:

“The City Manager may budget up to \$500,000 per year as an operating contingency as part of General Fund expenditures in order to further insulate the General Fund unreserved fund balance from unforeseen circumstances. At fiscal year-end, any unspent operating contingency funds will be transferred to a separate Stabilization Fund. Unspent operating contingency funds will be transferred annually until a reserve equivalent to 5% of recurring General Fund operating expenditures, exclusive of any one-time appropriations, has been met.”



Questions?
