



TO: T.C. Broadnax, City Manager
FROM: Tadd Wille, Budget Director, Office of Management & Budget
Andy Cherullo, Director, Finance Department
COPY: City Council and City Clerk
SUBJECT: Resolution – Amending Capital Policies of the Financial and Budget Policy Statement –
November 15, 2016
DATE: October 17, 2016

SUMMARY:

This resolution would adopt amendments to the Capital Planning Policies section of the City’s Financial and Budget Policy Statement.

STRATEGIC POLICY PRIORITY:

- Assure outstanding stewardship of the natural and built environment.
- Encourage and promote an efficient and effective government, which is fiscally sustainable and guided by engaged residents.

BACKGROUND:

The Financial and Budget Policy Statement incorporates “best practices” of budgeting, financial, and debt management and provides a framework for development of biennial budgets. The City last updated its Financial and Budget Policy Statement in July 2013 to amend the General Fund Reserve Policy.

The proposed amendments to the Capital Planning Policies section would establish the policies that govern the management of Special Capital Funds 3211, 1060, and 1140. These funds are used to manage and track multi-year capital projects. Unlike the other funds in the City, the proposed amendments would establish multi-year appropriation authority for these funds. Amounts approved would remain until expended for the intended purpose or unencumbered by a future ordinance.

ISSUE:

Updates to the Capital Planning Policies section of the Financial and Budget Policy Statement are being requested to reflect a new best-practice and transparent strategy for managing capital project budgets.

ALTERNATIVES:

The City could keep the Financial and Budget Policy Statement as is without changes. However, this would not allow staff to manage capital projects within the new capital fund structure in the most efficient and transparent manner.

RECOMMENDATION:

Approval by the City Council is requested. The proposed policy amendments outline the policies that will be used to govern capital project budgets and manage capital funds with multi-year appropriation.

FISCAL IMPACT:

There is no fiscal impact from this action. The 2017-2018 Operating and Capital Budgets will be in alignment with the amended policies. City Council is scheduled to adopt the 2017-2018 Operating and Capital Budgets in November 2016.