

# **EXECUTIVE SUMMARY**

## **Council Policy 100-06: City Council Funding of Community Projects, Programs and Services**

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### **OFFICE OF THE INDEPENDENT BUDGET ANALYST REPORT**

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**Date Issued:** June 13, 2011

**IBA Report Number:** 11-36

**Budget & Finance Committee Date:** June 15, 2011

**Item Number:** 1

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In September 2010, the City Attorney issued a Memorandum of Law (MOL) regarding the “Budgeting, Appropriation, and Expenditure of Infrastructure Funds.” The MOL discussed the City’s practice of carrying over annual savings from each Council Office budget for use in a subsequent year to allocate to community projects at the discretion of each Councilmember in their district. The City Attorney opined that this process was inconsistent with the requirements of the budget process as outlined in the City Charter.

Because of the MOL, requested allocations for use of these funds were suspended during Fiscal Year 2011, and the balance of the Infrastructure Funds fell to the City’s General Fund Reserve.

In April 2011, the IBA presented Report No. 11-23 regarding “Proposed Council Policy for Community Programs and Projects Funds”, which suggested changes to past practices to address the issues raised by the City Attorney, including a proposed Council Policy.

On Monday, June 6, 2011, the Council adopted the FY 2012 Budget, including the IBA’s recommendations, with specific revisions. The IBA’s recommendations included the addition of specific allocations for each Council Office for Community Projects, Programs and Services, based on estimated savings for FY 2011, totaling \$1.6 million for all Offices. This action is consistent with the City Attorney advice by utilizing the annual budgetary process as prescribed by the City Charter to incorporate funding in the annual budget for this purpose.

This report presents a proposed Council Policy (100-06) to guide the annual allocation and expenditure of “City Council Funding of Community Projects, Programs and Services.” The proposed Council Policy is provided as an attachment to this report.

The IBA recommends the Budget and Finance Committee forward the proposed Council Policy to the Council for its consideration. Specific feedback and direction from the Committee can be addressed and incorporated, if necessary, into the materials to be brought the City Council for its approval. It is hoped that the proposed Council Policy will be adopted by the Council prior to the start of FY 2012.