

## OFFICE OF THE INDEPENDENT BUDGET ANALYST REPORT

**Date Issued:** July 19, 2007

**IBA Report Number:** 07-73

**City Council Docket Date:** July 23, 2007

**Item Number:** 206

**Item:** Statement of Fiscal Year 2008 Budgetary Principles

The proposed Statement of Fiscal Year 2008 Budget Principles has been jointly developed by the Office of the IBA, the Chief Financial Officer, the Mayor's Office and the City Attorney's Office. This Statement of Budgetary Principles has been modeled after the intent and spirit of the Statement of Operating Principles that is guiding the working protocols and communication of the Internal Auditor, the Audit Committee and the Mayor's Office.

This proposal is a consensus document from these entities that focuses on setting budgetary operating principles, establishing budget authority regarding service levels and enhancing communication on management issues between the executive and legislative branches for FY 2008.

On June 20 and July 11, 2007, the Budget and Finance Committee reviewed and considered this proposal, and voted 4-1 to recommend that the City Council adopt the July 11, 2007 draft of the Statement of Fiscal Year 2008 Budgetary Principles, including the Service Reduction Criteria (attached).

The IBA recommends that this proposal be adopted as an accompanying resolution to the FY 2008 Appropriation Ordinance (AO) in order to preserve the intent of the AO as a true appropriation setting document rather than a policy document. Since this resolution speaks specifically to FY 2008 if approved, the City Council and Mayor will have an opportunity to consider its value and effectiveness for future years.

**[SIGNED]**

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