Outstanding Issues Related to City Council Authority in Mid-Year Budget Actions and Other Pending Budget Matters

Budget and Finance Committee

November 10, 2010

Item 2

Outstanding Budget Issues

Mid-Year Budget Changes

- City Attorney's Office MOL - Nov 5, 2010
- Issues of Mayoral and Council Authority
- City Charter versus Statement of Budgetary Principles

Outstanding Budget Issues

Use of Appropriated Reserves

- City Attorney MOL – Nov 5, 2010
- Issues of Mayoral and Council Authority
- City Charter versus Statement of Budgetary Principles
- Reserves policy will need to be revised to match legal opinion

Outstanding Budget Issues

Summary of Delays in Budget Monitoring Reports

	Original	Revised
FY 2010 Year-End Report	09/29/2010	02/23/2011
FY 2011 First Quarter Report	12/01/2010	n/a
Updated FY 2012-2016 Five-Year Outlook	01/2011	tbd
FY 2011 Mid-Year Report	02/2011	02/23/2011

Outstanding Budget Issues

Performance Measurement Program

- Program was suspended by Mayor in June 2010
- Mayor agreed to provide "Interim Performance Measures" for FY 2012 Budget Process to be reviewed with Budget and Finance Committee in January 2011 and data is to be provided in Mayor's FY 2012 Proposed Budget Document

Outstanding Budget Issues

Budgeting, Appropriation and Expenditure of Infrastructure Funds

- City Attorney MOL – Sept 24, 2010
- Current process is inappropriate, funds not appropriated properly, expenditures were not identified during budget adoption
- New process is necessary for future budgets
- Council President has referred this item to the Budget and Finance Committee

Recommended Approach to FY 2012 Budget

- For FY 2012,follow budget process as outlined in the Charter with Mayor submitting a proposed balanced budget to City Council by April 15th followed by IBA review, Council public hearings, Mayor's May Revise, final Council decisions in June 2011
- City Council discussion of service priorities in February 2011 timeframe to provide direction to Mayor in development of proposed budget (Budget Priorities Resolution)

Recommended Approach to FY 2012 Budget

- Allows time to make progress on reforms and other efficiencies, such as:
  - Managed Competition processes
  - IT outsourcing process
  - Miramar Landfill outsourcing process
  - Retiree health care reform meet and confer process
- Priority should be on accelerating and achieving results from reforms and efficiencies to minimize the need for programmatic reductions

Recommended Approach to FY 2012 Budget

- Allows Mayoral staff time needed to implement SAP corrections which will allow for issuance of the FY 2010 Year-End Report and the FY 2011 Mid-Year Report estimated for end of February 2011; any significant shortfalls identified for the current year in the Mid-Year Report should be addressed at that time
- Allows Mayoral staff time to develop and issue updated FY 2012-2016 Five Year Outlook which will inform FY 2012 budget process

Recommended Approach to FY 2012 Budget

- Council should have as much updated budget status and projection information as possible before taking major budgetary actions
- Council should also have performance measurement data to be aware of current City service levels and impacts of possible budget actions; allows time for Mayor to develop this information

Recommended Approach to FY 2012 Budget

- Allows time for Mayoral staff and IBA to review numerous proposals and develop recommendations for addressing FY 2012 shortfall