

OFFICE OF THE INDEPENDENT BUDGET ANALYST REPORT

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Item Number: ITEM-1

Item: FISCAL YEAR 07 BUDGET DEVELOPMENT AND PUBLIC INPUT
PROCESS

The purpose of this report is to propose a budget development and public input process for Fiscal Year 07 that meets legal requirements of the City Charter; incorporates new steps in the process as a result of the Strong Mayor form of Government; and provides substantial opportunity for public input on the proposed budget prior to its adoption. Once the City Council approves this process, there will be extensive public notification about the specific budget calendar so that citizens are fully aware and can plan to participate.

OVERVIEW OF BUDGET PROCESS IN STRONG MAYOR FORM OF GOVERNMENT

Under the City's new Strong Mayor form of government, the Mayor is responsible for developing and proposing a balanced budget to the City Council by April 15th of each year and making it available to the public at this same time. The City Charter requires the City Council to hold a minimum of two public hearings prior to June 15th of each year to consider the budget submitted by the Mayor. Also prior to June 15th, the Council must pass a resolution either adopting the Mayor's budget as submitted or modifying it. The Council may call for adding new items or for increasing or decreasing any item.

If the Council modifies the Mayor's budget, the Council returns the budget to the Mayor "as soon as practicable." The Mayor has five business days from receipt of the Council changes to approve, veto or modify any line item approved by the Council and resubmit the budget to the Council. The Council then has five business days to take action to override any vetoes or modifications made by the Mayor. Five votes of the Council are required for this override action.

Also as provided for in the Charter, the Council has the right to establish committees of the Council. This year, the Council established a new Budget Committee chaired by Councilwoman Toni Atkins. This Committee is charged with reviewing and considering City-wide budget issues throughout the year as well as establishing and carrying out the budget process once the budget has been submitted to the Council by the Mayor.

Under the new Strong Mayor form of government, the Council was also given the right to establish an Office of Independent Budget Analyst (IBA) and to determine the powers of this Office by ordinance. This Office was created by Ordinance 19454 on December 6, 2005. One of the key duties of this Office is to review and comment on the Mayor's proposed annual budget, conduct analysis of the budget and recommend modifications to the City Council.

PROPOSED PROCESS FOR FISCAL YEAR 07 BUDGET

The budget process for this year will span from February through July. In future years, the Office of the IBA will be proposing an earlier start to the budget process in order to provide additional opportunities for City Council guidance and public input.

During the weeks of February, March and early April, the Mayor and his staff will be developing the recommended Fiscal Year 2007 budget. The budget will include the funding of supplemental positions, the City's pension obligations and other known costs that in the past have been deliberately excluded from the budget appropriations. Revenue projections will be carefully reviewed and, if necessary, budget reductions will be identified and clearly laid out for Council consideration.

The Mayor will release his budget to the City Council on Friday, April 14th and present it to the Council on Monday, April 17th at the regularly scheduled Council meeting. The budget will be referred to the Independent Budget Analyst for review, analysis and development of recommendations for Budget Committee and City Council consideration. During this period of analysis, the Budget Committee will hold six meetings fully dedicated to reviewing the budget and taking public comment on the budget. Council members who are not members of the Budget Committee will also be invited to attend any or all of these meetings and the meetings will be publicly posted as such.

In addition, there will be budget deliberations by the full City Council on Monday, May 15th at the regularly scheduled Council meeting. Final City Council decisions will be on Tuesday, May 30th in order to allow time for possible Mayoral veto and Council override actions. This will be followed by a five business day period for possible Mayoral veto and a subsequent five business day period for Council override actions.

Attachment A presents the complete calendar for the budget process for the months of April, May, June and July. Attachment B provides a detailed schedule for the special Budget Committee meetings that will be held on May 3rd, 4th and 5th.

Respectfully submitted,

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Andrea Tevlin
Independent Budget Analyst

Jay Goldstone
Chief Financial Officer

Attachment A: Proposed Budget Calendar for April, May, June and July
Attachment B: Detailed Schedule for Budget Committee meetings May 3-5