

## STAFF REPORT

**DATE:** November 30, 2010

**TO:** City Council

**FROM:** Paul Navazio, Interim City Manager  
Kelly Fletcher, Budget Manager

**SUBJECT:** Joint Discussion / Finance & Budget Commission

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The City Council has scheduled a Joint Discussion with the Finance and Budget Commission to take place in conjunction with the Council meeting of November 30, 2010. This joint Council/Commission discussion is part of series of such meetings incorporated into the City Council's meeting schedule approved in July.

Consistent with the format employed in previous joint meetings, the focus of the workshop will be a discussion of the City Council Goals which fall within the purview of the Finance and Budget Commission, followed by a discussion of the proposed commission workplan in support of City Council's goals.

The joint Council / Commission discussions are intended to help align commission focus and activity with City Council priorities as well serve as a forum for effective communication on areas of mutual interest between the Council and its advisory bodies. To date, joint discussions have been held with the Recreation and Parks Commission (September), and the Business and Economic Development Commission (October). A joint discussion with the Planning Commission is scheduled to take place in conjunction with the City Council meeting of December 7<sup>th</sup>.

**Fiscal Stability**

Ensure short- and long-term expenditures and revenues are equivalent, matching community resources to needs without reliance on growth.

Guiding Principles:

- Maintain a sustainable budget that buffers the city from state and county fluctuations.
- Sustain a minimum 15% reserve. *(Note: Reserve guidelines will need to be reviewed if multi-year budget implemented.)*
- Cultivate a diversified economy, workforce and tax base.
- Pursue partnerships with other jurisdictions.
- Seek increased cost efficiency in service delivery, while maintaining high quality city services.
- *Ensure that fee structures are legally sound and related to policy goals.*
- *Develop a long-term financial plan and a budget process to fund city needs and services.*

**During the next two years, the Finance and Budget Commission will:**

<b>Actions Assigned to FBC as lead:</b>	<b>Lead</b>	<b>Finance Commission Proposed Action</b>	<b>Priority Status</b> Year 1 / Year 2
FS 1. Consider methods to reduce and/or eliminate unfunded liabilities, such as investing contract savings into unfunded liability.	CMO FBC	FS 1. Consider methods to reduce and/or eliminate unfunded liabilities; define and categorize unfunded liabilities.	Year 1
FS 2. Define unmet needs and identify funding mechanisms for them.	All	FS 2. Define and categorize unmet needs; identify funding mechanisms for them.	Year 1
FS 3. Consider moving to a multi-year budget with periodic review.	CMO FBC	FS 3. Review presentation and transparency to the Citizens of Davis in the context of Budget Development and reporting.	Year 1
FS 4. Address 2012 expiration of park tax.	CMO/CS FBC	FS 4. Address 2012 expiration of park tax, in the context of all City Fees and Taxes, to ensure an equitable and stable revenue base.	Year 1
FS 8. Examine services that can be effectively delivered by private enterprises.	All	FS 8. Examine services that can be effectively delivered by private enterprises.	Year 2
FS 10. Review performance based budgeting.	CMO	FS 10. Review performance based budgeting.	Year 2
FS 11. Examine projects and services for current needs.	FBC All	FS 11. Examine projects and services for current needs.	Year 2

<b>Fiscal Stability Actions Not Assigned to FBC as lead</b>			
FS 5. Work with other agencies/jurisdictions to consolidate common services where it is mutually beneficial and where resources can be maximized.	CMO		Ongoing
FS 6. Review two city departments annually, utilizing a zero-based review process.	CMO		Fall 2010 Spring 2011
FS 7. Ensure labor contracts are fair and support delivery of services.	CC		Existing contracts expire 2012.
FS 9. Adopt coherent economic development strategy.	CDSD BEDC		
FS 12. Review budget quarterly.	CMO/CC		Quarterly