

City Council PolicyCITY BUDGET COMMITTEE (STANDING COMMITTEE)Budget Process**PURPOSE:**

Once a year, the City Council approves a budget that outlines the policies and fiscal actions to be taken by the City. The Budget Committee is a standing committee that reviews the proposed operating and capital budget each fiscal year and makes a recommendation on the budget to the City Council for final enactment. The budget process is structured each year to achieve the fiscal and policy goals for the upcoming fiscal year as well as periodically review and provide policy guidance to staff related to budgetary analysis and fiscal action plans and provide reports to the City Council for review and or action.

This committee shall consider and make recommendations to the Council on matters relating to:

- Revenues
- Expenditures
- Capital Improvement projects
- Fiscal Planning and Policies;
- Taxes and Fees;
- Investment Policy;
- Debt; and
- Such related fiscal issues as may be referred to it by the Council.

**COMMITTEE MAKE UP:**

The Budget Committee shall consist of the following:

- Two Councilmembers appointed by the City Council through Council Committee Assignments
- City Manager
- Assistant City Manager/City Clerk
- Administrative Services Director

**POSTING OF AGENDAS:**

Whether or not a regular meeting schedule is adopted, an agenda shall be posted for each standing committee meeting not later than 72 hours before any meeting.

**PUBLIC INVOLVEMENT:**

Public involvement shall be encouraged in the annual budget decision-making process through Standing Committee meetings, public hearings, public outreach, and the dissemination of accessible information. Public participation efforts will allow the City to improve performance by identifying public needs, priorities and service delivery expectations. **Increased public involvement** will allow the City to be more responsive to community needs, thereby increasing the value that the public receives from City government.

**ATTENDANCE BY COUNCILMEMBERS NOT ON THE COMMITTEE:**

Members of the Council who are not members of a standing committee may attend any open and noticed meeting of a standing committee provided that they act only as observers. It is suggested that Members do not make any comments.

**REQUESTS OF STAFF:**

Standing Committee Councilmembers may request research from staff on new ideas to allow them to report back to the standing committee and if the standing committee supports the idea, the idea will be presented to City Council for direction or a vote.

**BUDGET PROCESS:**

The budgeting process has four parts. The budget is: 1) prepared, 2) approved, 3) adopted, and 4) executed.

A fiscal year begins July 1 and ends June 30. From February to June, every year, City staff, the Mayor and City Council work together to create a balanced budget by June 30, as required by law.

**PROPOSED BUDGET COMMITTEE PROCESS:**

1. The City administrative team will be responsible for producing an initial recommended draft Budget to submit to the Budget Committee. The administrative team will consist of the City Manager, Assistant City Manager/City Clerk, and Administrative Services Director.
2. Department Directors will submit departmental budgets each year to the Administrative Services Director upon established timelines.
3. Upon receipt of the departmental budget requests, the Administrative Services Director will prepare a draft budget document to be used for review by the City administrative team.
4. This team will meet with Department Heads as needed, consider departmental budgetary requests as appropriate, and complete any other steps needed to provide the Budget Committee with an initial recommended draft Budget. The initial recommended draft Budget will be accompanied by a written report to the Budget Committee, providing an overview of the budget, summarizing any specific challenges presented by that year's budget, summarizing changes made by the Team to Departmental budgets; and identifying any unresolved issues to be addressed by the Budget Committee. The information submitted to the Budget Committee will include any background information the City administrative team believes will be relevant to the Budget Committee's decision-making regarding unresolved issues to be addressed by the Budget Committee. This initial draft Budget submitted to the Budget Committee will include draft versions of all portions of the final Budget for the year. This step will be an internal City staff process to be completed before Budget Committee meetings begin.

The Budget Committee will receive the initial recommended draft Budget produced by the administrative team, and will meet to discuss the recommendations of the administrative team. The Budget Committee will not hold individual meetings with Department Directors unless specifically requested by the Budget Committee. The Budget Committee will rely on the internal City staff process to do the necessary research and analysis to support the recommendations in the initial recommended draft Budget, and will focus on reviewing that document as well as any other materials provided by the administrative team, and addressing any unresolved issues. The Budget Committee will review and revise the initial recommended draft Budget as needed, and will produce a final draft Budget to be presented to the City Council at a duly noticed public hearing for discussion, review, and approval.

**In addition to the process above, the Administrative Services Director shall be responsible for:**

1. Prepare a Budget Calendar for Fiscal Year Budget and take to City Council for approval
2. Request budget input from all Department Directors
3. Request budget input from Community Benefit Grant Applicants
4. Prepare a draft budget as listed above
5. Shall be responsible for publishing all the notices required by Government Statute.
6. Shall be responsible for monitoring budget expenditures during the budget year and notifying the Council of the need to make any budget changes required after adoption.

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**BUDGET PROCESS:**

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~~A fiscal year begins July 1 and ends June 30. From January or February to June, every year, City staff, the Mayor and the City Council work together to create a balanced budget by June 30.~~

~~The City Manager is responsible for keeping the full City Council apprised of the City's fiscal condition. This can be accomplished in the following ways:~~

- ~~1. Providing at least once annually an update with the long-term view on the City's budget, using the long-term financial model as the foundation. This will usually occur during a budget workshop or other Council item in the Spring of each year.~~
- ~~2. Providing quarterly reports to the full Council on the budget (General Fund, and Enterprise Funds). These updates provide regular, periodic updates on the City's budget.~~
- ~~3. Informing the Council whenever there is significant news affecting the City's budget, such as changes in Federal or state funding that might affect the City.~~
- ~~4. Including the fiscal impact of Council decisions in agenda reports.~~

**BUDGET COMMITTEE:**

~~The Budget Committee plays a valuable role in developing the budget by providing feedback and input to the City Manager, who will present the DRAFT budget to the full Council at a regular scheduled City Council Meeting. The Budget Committee's roles include:~~

- ~~a. Reviewing and commenting on all aspects of the budget, including assumptions regarding revenue, long-term projections, the Capital Improvement Plan (CIP), and operating budgets. Committee member comments on particular budget issues can be included in the budget documents.~~
- ~~b. Reviewing and commenting on projects or other ideas for consideration in the budget that are submitted by individual City Councilmembers~~
- ~~c. Requesting information and analysis by staff; these requests need to be balanced with other Council-approved priorities.~~
- ~~d. The Budget Committee will receive the initial recommended draft Budget; produced by the administrative team, and will meet to discuss the recommendations of the City Manager, and with Department Heads as appropriate. The Budget Committee will not hold individual meetings with Department Directors unless specifically requested by the Budget Committee.~~

e. ~~The Budget Committee will rely on the internal City staff process to do the necessary research and analysis to support the recommendations in the initial recommended draft Budget, and will focus on reviewing that document as well as any other materials provided by the administrative team, and addressing any unresolved issues. Upon review and recommendations from the Budget Committee, the City Manager will The Budget Committee will review and revise the initial recommended draft Budget as needed, and will produce a final draft Budget to be presented to the City Council at a duly noticed public hearing for discussion, review, and approval.~~

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This committee ~~may also shall~~ consider and make recommendations to the Council on matters relating to:

- Revenues
- Expenditures
- Capital Improvement projects
- Fiscal Planning and Policies;
- Taxes and Fees;
- Investment Policy;
- Debt; and
- Such related fiscal issues as may be referred to ~~the Budget Committee -#~~ by the Council.

#### Question For Consideration:

Should the Budget Committee preview agenda items with financial implications? Such As:

- If an item is allocated in an approved budget; should that item need to go to the Budget Committee prior to the full Council?
- Should budget items under the purview of another Council Committee also be reviewed by the Budget Committee before going to the full Council?

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Note: The City's financial policies delegate authority for some changes to the approved budget to the City Manager. This delegation provides helpful flexibility. Should the Council have an interest in reviewing these policies we suggest addressing this topic after completion of the FY 25-26 budget and if approved as a Council priority. If an item is not budgeted in the approved budget, but the cost can be absorbed within the approved budget with no fiscal impact and is within the signing authority of the City Manager or City Council in the City policy; should that item need to go the Budget Committee prior to the full Council?

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#### Other items for Consideration:

- Should the budget committee receive substantial additional information on the City's fiscal situation then the Council as a whole?;
- The longer time required to bring items to the Budget Committee prior to a Council meeting
- Staff time required to prepare for and attend additional meetings.
- The role of any oversight committees, should the Council establish them.
- Consideration of length of time for items if they need to be reviewed by the budget committee prior to a Council meeting;

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Consideration of staff time**COMMITTEE MAKE UP:**

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  - ~~City Clerk~~
  - ~~Administrative Services Director~~
  - ~~Department Directors as Needed~~
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City Council Policy

CITY BUDGET COMMITTEE (STANDING COMMITTEE)

**PURPOSE:**

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Once a year, the City Council approves a budget that outlines the policies and fiscal actions to be taken by the City. The City Council periodically reviews and provide policy guidance to staff related to the budget.

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2. Providing quarterly reports to the full Council on the budget (General Fund, and Enterprise Funds). These updates provide regular, periodic updates on the City's budget.
3. Informing the Council whenever there is significant news affecting the City's budget, such as changes in Federal or state funding that might affect the City.
4. Including the fiscal impact of Council decisions in agenda reports.

**BUDGET COMMITTEE:**

The Budget Committee plays a valuable role in developing the budget by providing feedback and input to the City Manager, who will present the DRAFT budget to the full Council. The Budget Committee's roles include:

- a. Reviewing and commenting on all aspects of the budget, including assumptions regarding revenue, long-term projections, the Capital Improvement Plan (CIP), and operating budgets. Committee member comments on particular budget issues can be included in the budget documents.
- b. Reviewing and commenting on projects or other ideas for consideration in the budget that are submitted by individual City Councilmembers.
- c. Requesting information and analysis by staff; these requests need to be balanced with other Council-approved priorities.
- d. The Budget Committee will receive the initial recommended draft Budget; and will meet to discuss the recommendations of the City Manager, and with Department Heads as appropriate.
- e. Upon review and recommendations from the Budget Committee, the City Manager will produce a final draft Budget to be presented to the City Council at a duly noticed public hearing for discussion, review, and approval.

This committee may also consider and make recommendations to the Council on matters relating to:

- Revenues
- Expenditures
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- Taxes and Fees;

- Investment Policy;
- Debt; and
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## Question For Consideration:

Should the Budget Committee preview agenda items with financial implications? Such As:

- If an item is in an approved budget, should it go to the Budget Committee prior to the full Council?
- Should budget items under the purview of another Council Committee also be reviewed by the Budget Committee before going to the full Council?
- Note: The City's financial policies delegate authority for some changes to the approved budget to the City Manager. This delegation provides helpful flexibility. Should the Council have an interest in reviewing these policies we suggest addressing this topic after completion of the FY 25-26 budget and if approved as a Council priority.

## Other items for Consideration:

- Should the budget committee receive substantial additional information on the City's fiscal situation than the Council as a whole?
- The longer time required to bring items to the Budget Committee prior to a Council meeting
- Staff time required to prepare for and attend additional meetings.
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## **COMMITTEE MAKE UP:**

The Budget Committee shall consist of the following:

- Two (2) Councilmembers nominated by the Mayor and appointed by the Council
- Committee staff are assigned by the City Manager and may include:
  - Assistant City Manager
  - City Clerk
  - Administrative Services Director
  - Department Directors as Needed

## **POSTING OF AGENDAS:**

An agenda shall be posted for each standing committee meeting not later than 72 hours before any meeting.

## **PUBLIC INVOLVEMENT:**

Public involvement shall be encouraged in the annual budget decision-making process through Standing Committee meetings, public hearings, public outreach, and the dissemination of accessible information. Public participation efforts will allow the City to improve performance by identifying public needs, priorities and service delivery expectations. **Increased public involvement** will allow the City to be more responsive to community needs, thereby increasing the value that the public receives from City government.

## **ATTENDANCE BY COUNCILMEMBERS NOT ON THE COMMITTEE:**

Members of the Council who are not members of a standing committee may attend any open and noticed meeting of a standing committee provided that they act only as observers. It is required that Members do not make any comments.



The original “City Budget Committee (Standing Committee)” policy can be found here: <https://www.cityofsebastopol.gov/wp-content/uploads/2025/01/Item7-CITY-BUDGET-COMMITTEE-Protocols-Final.pdf>.

Below is a red-lined version of the original policy, edits by Mary are in blue, Don’s edits are in green, and Ana’s edits in magenta.

## City Council Policy

### CITY BUDGET COMMITTEE (STANDING COMMITTEE)

#### Budget Process

##### PURPOSE

Once a year, the City Council approves a budget that outlines the policies and fiscal actions to be taken by the City. **The budget is the most important policy document approved by the City Council.** The Budget Committee is a standing committee that reviews the proposed operating and capital budgets. ~~each fiscal year and~~ **The City Manager** makes a recommendations for final enactment **by the full City Council.** The **Budget Committee** process ~~is structured each year to achieve the fiscal and policy goals for the upcoming fiscal year as well as~~ includes periodically review and ~~provide policy guidance~~ **recommendations** to staff related to budgetary analysis and fiscal action plans. ~~and provide reports to the City Council for review and or action.~~

The committee's purpose, duties, and responsibilities are designed to assist, rather than interfere with, the City Manager’s role. While the committee may provide input, it is not meant to affect the City Manager's responsibility to prepare and recommend the annual budget to the City Council but to review and provide recommendations that will be considered by the full Council at a publicly noticed meeting. Once the budget is adopted, the committee is available to assist with any requests for adjustments throughout the year. The City Manager will also continue to manage their relationships with staff, labor organizations, and departmental operations without interference from the committee.

This committee ~~shall~~ **may** consider and make recommendations to the Council on matters relating to:

- Revenues
- Expenditures
- Capital Improvement projects
- Fiscal Planning and Policies;
- Taxes and Fees;
- Investment Policy;
- Debt; and
- Such related fiscal issues as may be referred to ~~it~~ **the Budget Committee** by the **City Council.**
- **May make recommendations on revisions to Financial policies to be considered by the full**

Council.

### **BUDGET COMMITTEE MAKE UP:**

The Budget Committee shall consist of the following:

- Two Councilmembers appointed by the City Council through Council Committee Assignments
- Staff to the Committee will include the City Manager and others as assigned by the City Manager. The City Manager will consult with the department heads and to prepare and submit the proposed annual budget and the proposed annual salary plan to the City Council for its approval. The department heads of City departments shall have the duty of appearing before the City Council regarding their budget and salary proposal when so requested by the City Council or the City Manager.
- ~~City Manager~~
- ~~Assistant City Manager/City Clerk~~
- ~~Administrative Services Director~~

### **POSTING OF AGENDAS:**

~~Whether or not a regular meeting schedule is adopted~~ An agenda shall be posted for each standing committee meeting not later than 72 hours before any meeting. ~~When a special meeting is required for~~ an urgent item that needs consideration by the Budget Committee, an agenda shall be posted no later than 24 hours before that special meeting.

### **PUBLIC INVOLVEMENT:**

Public involvement shall be encouraged in the annual budget decision-making process through Standing Committee meetings, public hearings, public outreach, and the dissemination of accessible information. Public participation efforts will allow the City to improve performance by identifying public needs, priorities and service delivery expectations. Increased public involvement will allow the City to be more responsive to community needs, thereby increasing the value that the public receives from City government.

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### **REQUESTS OF STAFF:**

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### **BUDGET PROCESS:**

The budgeting process has four parts. The budget is: 1) prepared, 2) approved, 3) adopted, and 4) executed. A fiscal year begins July 1 and ends June 30. From February to June, every year, City

staff, the Mayor **Budget Committee** and City Council work together to create a balanced budget by June 30, as required by law.

The City Manager works with City staff to prepare drafts of the budget for Budget Committee review and comment. These will typically be presented to the Budget Committee as they become available.

Additionally, the City Manager will present the full City Council with an update on the City's financial situation in the Spring of each year, including a preview of key issues for consideration in the following Fiscal Year's budget. The Council may direct staff to consider particular requests or topics as part of budget preparation.

Council members (including but not limited to Budget Committee members) may request that staff consider particular requests as part of budget preparation; staff will analyze such requests to the extent that resources allow.

#### **PROPOSED BUDGET COMMITTEE PROCESS**

- 1 ~~The City administrative team will be responsible for producing an initial recommended draft Budget to submit to the Budget Committee. The administrative team will consist of the City Manager, Assistant City Manager/City Clerk, and Administrative Services Director.~~
- 2 ~~Department Directors will submit departmental budgets each year to the Administrative Services Director upon established timelines.~~
- 3 ~~Upon receipt of the departmental budget requests, the Administrative Services Director will prepare a draft budget document to be used for review by the City administrative team.~~
- 4 ~~This team will meet with Department Heads as needed, to consider departmental their budgetary requests as appropriate, and complete any other steps needed necessary to provide the Budget Committee with an initial recommended draft Budget. The initial recommended draft Budget will may be accompanied by a written report to the Budget Committee, providing an overview of the budget, summarizing any specific challenges presented by that year's budget, summarizing and changes, made by the Team to Departmental budgets; and identifying any unresolved issues to be addressed by the Budget Committee. The information submitted to the Budget Committee will include any background information the City administrative team believes will be relevant to the Budget Committee's decision-making regarding unresolved issues to be addressed by the Budget Committee. This initial draft Budget submitted to the Budget Committee will include draft versions of all portions of the final Budget for the year. This step will be an internal City staff process to be completed before Budget Committee meetings begin.~~

~~The Budget Committee will receive the initial recommended draft Budget produced by the administrative team, and will meet to discuss the recommendations. of the administrative team. The Budget Committee will not hold individual meetings with Department Directors unless specifically requested by the Budget Committee. The Budget Committee will rely on the internal City staff process to do the necessary research and analysis to support the recommendations in the initial recommended draft Budget, and will focus on reviewing that document as well as any other materials provided by the administrative team, and addressing any unresolved issues. The Budget Committee will review and revise on the initial recommended draft Budget, as needed,~~

~~and will produce a final draft Budget to be presented to the City Council at a duly noticed public hearing for discussion, review, and approval.~~

The Budget Committee plays a valuable role in developing the budget by providing feedback and input to the City Manager. The City Manager will present the final draft budget to the full Council for discussion and approval.

The Budget Committee's roles include:

- Receive the initial recommended draft Budget materials produced by the City Manager, discuss the recommendations, provide feedback, address any unresolved issues, and provide alternative recommendations to the City Council as it sees fit.
- Review and comment on all aspects of the budget, including assumptions regarding revenue, long-term projections, Capital Improvement Plan (CIP), and operating budgets.
- Request information and analysis by staff, as staff time allows, and in balance with other Council approved priorities.
- Meet with the Administration Team and Department Heads as appropriate.

The City Manager is responsible for keeping the full Council apprised on the City's fiscal condition. This can be accomplished in the following ways:

- Provide at least an annual update on the long-term budget projections, usually in the spring.
- Provide quarterly reports on the Enterprise and General Funds.
- Inform the Council whenever there are significant issues affecting the budget.
- Include the fiscal impact of Council decisions in agenda reports.

The Administrative Services Director shall be responsible for the following, under the Direction of the City Manager:

1. Prepare a Budget Calendar for Fiscal Year Budget and take to City Council for approval
2. Request budget input from all Department Directors
3. ~~Request budget input from Community Benefit Grant Applicants~~
4. Prepare a draft budget as listed above
5. Shall be responsible for publishing all the notices required by Government Statue.
6. The Department heads shall be responsible for monitoring their respective budget expenditures during the budget year. The Department Heads shall work with Administration Team to notify the Council of the need to make any budget changes required after adoption.

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**CLEAN VERSION** includes Don's, Mary's and Ana's edits

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#### Budget Process

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The committee's purpose, duties, and responsibilities are designed to assist, rather than interfere with, the City Manager's role. While the committee may provide input, it is not meant to affect the City Manager's responsibility to prepare and recommend the annual budget to the City Council but to review and provide recommendations that will be considered by the full Council at a publicly noticed meeting. Once the budget is adopted, the committee is available to assist with any requests for adjustments throughout the year. The City Manager will also continue to manage their relationships with staff, labor organizations, and departmental operations without interference from the committee.

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- Revisions to financial policies to be considered by the full Council

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Members of the Council who are not members of a standing committee may attend any open and noticed meeting of a standing committee provided that they act only as observers. It is required that Members do not make any comments. Council members attending such meetings should be careful to avoid behaving in ways that create a perception that they are either acting as part of the committee, or that in other ways suggest that a majority of the council is, in effect, doing the council's business without proper notice of a council meeting.

**BUDGET PROCESS:**

The budgeting process has four parts. The budget is: 1) prepared, 2) approved, 3) adopted, and 4) executed. A fiscal year begins July 1 and ends June 30. From February to June, every year, City staff, the Budget Committee and City Council work together to create a balanced budget by June 30, as required by law.

The City Manager works with City staff to prepare drafts of the budget for Budget Committee review and comment. These will typically be presented to the Budget Committee as they become available.

Additionally, the City Manager will present the full City Council with an update on the City's financial situation in the Spring of each year, including a preview of key issues for consideration in the following Fiscal Year's budget. The Council may direct staff to consider particular requests or topics as part of budget preparation.

Council members (including but not limited to Budget Committee members) may request that staff consider particular requests as part of budget preparation; staff will analyze such requests to the extent that resources allow.

The Budget Committee plays a valuable role in developing the budget by providing feedback and input to the City Manager. The City Manager will present the final draft budget to the full Council for discussion and approval.

The Budget Committee's roles include:

- Receive the initial recommended draft Budget materials produced by the City Manager, discuss the recommendations, provide feedback, address any unresolved issues, and provide alternative recommendations to the City Council as it sees fit.
- Review and comment on all aspects of the budget, including assumptions regarding revenue, long-term projections, Capital Improvement Plan (CIP), and operating budgets.
- Request information and analysis by staff, as staff time allows, and in balance with other

Council approved priorities.

- Meet with the Administration Team and Department Heads as appropriate.

The City Manager is responsible for keeping the full Council apprised on the City's fiscal condition. This can be accomplished in the following ways:

- Provide at least an annual update on the long-term budget projections, usually in the spring.
- Provide quarterly reports on the Enterprise and General Funds.
- Inform the Council whenever there are significant issues affecting the budget.
- Include the fiscal impact of Council decisions in agenda reports.

The Administrative Services Director shall be responsible for the following, under the Direction of the City Manager:

1. Prepare a Budget Calendar for Fiscal Year Budget and take to City Council for approval
2. Request budget input from all Department Directors
3. Prepare a draft budget as listed above
4. Shall be responsible for publishing all the notices required by Government Statue.
5. The Department heads shall be responsible for monitoring their respective budget expenditures during the budget year. The Department Heads shall work with Administration Team to notify the Council of the need to make any budget changes required after adoption.