



City of Sebastopol

COUNCIL POLICY

SUBJECT BUDGET COMMITTEE BUDGET PROCESS	RESO NO XXXX- 2025	POLICY NO XX	EFF DATE XX-XX- 2025	PAGE 1 of X
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I. 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. The City Manager makes recommendations for final enactment by the full City Council. The Budget Committee process includes periodic review and recommendations to staff related to budgetary analysis and fiscal action plans.

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 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
- Such related fiscal issues as may be referred to the Budget Committee by the City Council
- Revisions to financial policies to be considered by the full Council

II. Budget Committee Make Up

The Budget Committee shall consist of the following:

- Two Councilmembers appointed by the City Council through Council Committee Assignments
- City Manager
- City Clerk
- Staff to the Committee will include the City Manager and others as assigned by the City Manager.

III. Posting of Agenda

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.

IV. 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.

V. 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. 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.

VI. 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.

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.

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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