

ANNUAL BUDGET REVIEW BY BOARDS AND COMMISSIONS

Each year a number of questions arise surrounding the review of the City's budget by Council-appointed boards and commissions. This document attempts to answer some of the more common questions.

1. What Do We Mean When We Say "Budget"?

When we say "budget", we are referring to the City's Resource Allocation Plan (RAP)---a large, complex document which depicts the overall financial status of the City for the next twenty years, including detailed information on all forms of revenues and expenditures. The major pieces of the budgetary puzzle that boards and commissions will be exposed to are:

- The City Manager's Budget Transmittal (narrative overview/message to Council)
- The two-year operating budget (including budget structure)
- The twenty-year capital improvement plan, or "projects" budget
- Possible fund reviews (e.g., Community Recreation Fund)
- Possible fee schedule

2. What Authority Does a Board or Commission Have Relative to Reviewing the City's Budget?

All boards and commissions have budgetary authority, some dictated by the City Charter. The Council's policy is to provide all boards and commissions the opportunity to review *those portions of the City's budget that pertain to its subject matter jurisdiction*. The entire budget is a public document available to any member of the public, and individual members of the public are welcome and encouraged to comment on any portion of the City's budget.

The City's primary emphasis will alternate each year between the operating and the capital budget (i.e., boards and commissions will not review both in detail each year). Given the size and complexity of the budget, a board/commission review will typically focus on the following:

During Years Which Focus on the Operating Budget:

- The City Manager's Letter of Transmittal to Council
- Any proposed changes in budget structure

- General review of service levels and performance measures, focusing on change from previous years (including increases or decreases in service levels)
- Notable increases or decreases in costs associated with service levels
- Recommended fees which require Council approval, focusing on new fees or those with notable increases/reductions

For each of the above, boards and commissions will focus only on those portions related to their subject matter expertise.

During Years Which Focus on the Projects Budget:

- The City Manager's Letter of Transmittal to Council
- Projects scheduled to be completed the coming Fiscal Year
- Projects new to the Twenty Year Plan (regardless of which year they are proposed to be completed)
- Projects with significant changes in scope or funding

For each of the above, boards and commissions will focus only on those portions related to their subject matter expertise.

3. To Whom Does a Board or Commission Make its Recommendation?

Boards and commissions—whether required by the Charter or not—are advisory to City Council, not staff (there is a clear distinction between these groups and committees advisory to staff, such as the Teen Advisory Committee, Senior Advisory Committee, and Advisory Committee on Accessibility). As such, boards and commissions provide their recommendations to City Council. This is noteworthy, given the timing of the budget process (see #4). While boards and commissions are encouraged to review the budget throughout the year, formal recommendations to Council from boards and commissions are made based on, and follow the submittal of, the City Manager's recommended budget. Comments are generally provided at the formal Public hearing on the budget, generally around the first week in June.

4. When Do Boards and Commissions Review the Budget?

The budgetary process is a constant, year-round process. While there are sequential steps and deadlines associated with specific phases, staff's review of the budget never ends. Opportunities for individual board and

commission members to analyze the budget and prepare personal thoughts and recommendations in preparation for formal public hearings are limited only by personal time and energy. Study sessions present the opportunity for boards and commissions to further explore and discuss the budget as a group.

May is the month for boards and commissions to perform an official review of the budget. May is not the best time for a board or commission to offer ideas for new programs or projects (it's really too late in the process--see notes for September/October and Year 'Round). Now is the appropriate time to comment on the City Manager's recommended budget to Council, and make recommendations to Council regarding priorities and service levels (performance measures), fees, and/or capital projects. Given the budgetary process, the City Manager's recommended budget will typically not be ready for boards and commissions to review until shortly before the time that a recommendation is necessary from the advisory body---in other words, there will be a very short turnaround time for boards and commissions---in fact, often there is not enough time to perform a thorough review and get the results to Council without conducting a special meeting of the board/commission and subsequently sending an official representative to Council's public hearing to convey its recommendations in person (waiting for the normal board/commission minutes to reach Council won't work). This underscores the importance of a board/commission being prepared to conduct its review---to understand its role, to know how to navigate the budget and be familiar with its contents---before the issue is brought before it in May.

September/October: all Study Issue and Budget Issue papers are collected, processed and presented to boards and commissions for action (in preparation for Council consideration in November). Study Issues alert Council to policy issues they will be asked to consider during the next calendar year. Budget issues alert Council to possible service level changes of an on-going nature which would impact the budget (either an increase in service requiring additional funds or a decrease in service resulting in savings). Study Issue papers must be complete and require time to develop. Boards and Commissions can request new Study Issues at any time, but a cut-off date (generally two weeks prior to the date a board or commission is scheduled to act on all Study Issue papers) needs to be established each year, after which any additional Study Issue papers proposed by a board/commission roll over to the next year's process. Study Issue papers must be signed by the City Manager prior to being acted upon by a board or commission.

October through January: City Council reviews the recommendations of staff and boards/commissions regarding Study Issues and Budget Issues. Budget Issue papers are generally reviewed by City Council in January as

part of the Fiscal Issues Workshop. Council decides whether to drop the Budget Issues in January, or direct the City Manager to present more detailed information for Council action (in the form of "budget supplements") in the context of the City Manager's full budget recommendation in May.

Year 'Round: the process detailed above makes clear the importance of board and commission members maintaining familiarity with the budget on a year round basis. The development of budget supplements and Study Issue papers may be requested at any time of the year.

This information is provided as a basic overview of the role boards and commissions play relative to the City's budgetary process. For a more thorough review of this topic, or the City's Study Issue or budget process, please contact your board or commission chair and/or staff liaison.