



## AGENDA SUMMARY EUREKA CITY COUNCIL

**TITLE:** Budget Policies for Fund Balance, Streets & Facilities

**DEPARTMENT:** Finance

**PREPARED BY:** Lane Millar

**PRESENTED FOR:**           Action            Information only            Discussion

### **RECOMMENDATION**

1. Receive report on the following policies:
  - a. Fund Balance Policy
  - b. Budget Policy – Street Infrastructure Allocation
  - c. Budget Policy – Capital Spending for City Facilities
2. Provide direction

### **FISCAL IMPACT**

No Fiscal Impact            Included in Budget            Additional Appropriation

### **COUNCIL GOALS/STRATEGIC VISION**

Financially stable, effectively run city with an engaged public

### **DISCUSSION**

Budget policies and financial sustainability play a crucial role in ensuring the stability and long-term success of any organization or government entity. These policies provide a framework for managing resources, making informed financial decisions, and achieving strategic goals.

By establishing clear budget policies, an organization can effectively allocate resources, prioritize spending, and control expenses. This helps in maintaining financial discipline, avoiding overspending, and ensuring that funds are used efficiently and effectively.

The proposed policies are in draft form and are subject to change based on the recommendations and direction from the Council. The final version of the proposed

policies will return to Council to be adopted in conjunction with the FY2023-24 Annual Budget. The following bullet points provide each policy's subject and objective:

- **Unrestricted Fund Balance Policy:** The purpose of this policy is to establish guidelines for the unrestricted fund balance in the general fund. Its aim is to improve and maintain the City's financial stability in order to protect against unforeseen or unbudgeted situations. These situations may include sudden changes in revenues or spending requirements, natural disasters, major infrastructure failures, and unexpected litigation.
- **Budget Policy - Street Infrastructure Allocation:** The objective of this budget policy is to ensure the effective allocation of funds for the maintenance, repair, and development of street infrastructure within the city, while promoting safe and efficient transportation for city services, residents and visitors.
- **Budget Policy - Capital Spending for City Facilities:** The objective of this budget policy is to ensure the effective allocation of funds for the maintenance, improvement, and development of city facilities. This policy aims to provide safe, accessible, and functional facilities that meet the needs of employees, residents, and visitors.

**Attachments:**

1. 2.67 Fund Balance Policy
2. 2.68 Budget Policy – Street Infrastructure Allocation
3. 2.69 Budget Policy – Capital Spending for City Facilities

**STAFF RECOMMENDATION:**

Staff recommends the City Council conduct a public hearing to consider the 2022-23 Proposed Budget. At the close of the public hearing, Council adopt resolution appropriating funds for the City of Eureka for FY 2022-23; and adopt the Eureka Public Financing Authority FY 2022-23 budget.

**REVIEWED AND APPROVED BY:**

City Attorney

City Clerk/Information Services

Community Services

Development Services

Finance

Fire

Personnel

Police

Public Works