

AGENDA ITEM SUMMARY

FORT COLLINS CITY COUNCIL

ITEM NUMBER: 29

DATE: April 20, 1999

STAFF: John F. Fischbach

SUBJECT:

Resolution 99-46 Setting Forth the Principles for Budget Planning.

RECOMMENDATION:

The City Council Finance Committee and staff recommend adoption of the Resolution.

EXECUTIVE SUMMARY:

It is the responsibility of City Council to adopt a budget plan that allocates limited resources to meet the service needs of the community as efficiently and effectively as possible. The allocation and management of those limited resources is a basic tenet for development of the City's budget. This Resolution, as recommended by the Council Finance Committee and staff, sets forth certain principles to aid in the planning of the allocation of resources to efficiently and effectively meet the wants and needs of the community and to serve as a foundation for budget development.

BACKGROUND:

The City of Fort Collins provides a wide variety of services to over 110,000 residents. One of the most important decisions of government is the matching of resources to meet the needs of the community.

Each budget is an attempt to balance the level and quality of services the residents of the community would like to have with the resources available. Data shows that as population and/or personal income increase, the requests for service increase. Further, the requests and demands for service are often proportionately greater than the increases in population and/or income. The situation results in a pool of limited resources to fund an ever-growing demand for services. It is the responsibility of City Council to adopt a budget plan that allocates limited resources to best meet the service needs of the community.

During the past several Council Finance Committee meetings, there have been discussions on framing service priorities to aid in the allocation of resources during the development of the City's budget. From those discussions, the Principles for Budget Planning were developed. The Council Finance Committee and staff believe that the adoption of the Principles will be a significant help in planning the allocation of resources to best meet the service needs of the community. The Principles will also provide a written framework that will help the residents better understand why and how decisions regarding the allocation of resources to meet service needs are made.

RESOLUTION 99-46
OF THE COUNCIL OF THE CITY OF FORT COLLINS
SETTING FORTH THE PRINCIPLES FOR BUDGET PLANNING

WHEREAS, the City of Fort Collins provides a wide variety of services to the residents of the community; and

WHEREAS, it is the responsibility of City Council to adopt a budget and manage the available resources during the fiscal year; and

WHEREAS, there are limited resources to meet the many needs of the community; and

WHEREAS, the allocation of limited resources and the prudent management of those resources for the good of the whole community is a basic tenet for development of the City's budget; and

WHEREAS, to aid in planning for the allocation of resources to meet the needs of the community and to prudently manage those resources to meet the overall good of the community, certain principles are needed to serve as a foundation for the development of the City's budget.

NOW, THEREFORE, BE IT RESOLVED BY THE COUNCIL OF THE CITY OF FORT COLLINS as follows:

Section 1. That the following principles are hereby adopted for budget planning:

- a. The City should strive to attain the lowest possible interest rates on debt in order to minimize the cost to taxpayers and users of City services.
- b. The City should maintain adequate reserve levels to ensure minimal loss of service to the community should there be unforeseen reductions in revenues or a catastrophic occurrence.
- c. Employees of the City are a valuable resource in providing services to the community, and a compensation policy should be maintained for City employees that reflects the value of attracting and retaining quality employees.
- d. "Primary services," as described on Exhibit "A", attached hereto and incorporated herein by this reference, are those services that are necessary for the good of the entire community. They are basic to the safety, health, and welfare of the community, and the allocation of all resources necessary for the provision of primary services is the first priority in budget preparation.
- e. "Secondary services," as described on Exhibit "A", are those services that enhance the quality of life of the residents of the City and, to many, increase the value of

living and working in the community. While the value of those secondary services is recognized, the allocation of resources to those services shall be considered only after the necessary allocation has been made to fund primary services.

- f. "Support services," as described on Exhibit "A", provide the management, guidelines, and operational assistance to carry out the provision of primary and secondary services. Resources should be allocated to these support services to provide the level and quality of primary and secondary services expected and desired by the community.
- g. No new services, other than those identified as primary services on Exhibit A, shall be undertaken by the City until all existing primary, secondary, and support services have received a sufficient level of funding to meet the needs of the community.
- h. Any adjustment to the existing budget shall take into account the effect that such adjustment would have on future budget resources.

Section 2. That the City Manager is hereby directed to prepare a proposed amendment to the City's Financial Management Policies which would incorporate the foregoing principles into said policies, and to present to the same to the City Council for its consideration as part of the upcoming budget process for fiscal years 2000 and 2001.

Passed and adopted at a regular meeting of the City Council held this 20th day of April, A.D. 1999.

Mayor

ATTEST:

City Clerk



City Services

Primary

- Police
- Fire
- Streets
- Building Inspection
- Development Review
- Facilities Maintenance
(all public facilities including parks)
- Pedestrian Access
- Engineering

- Water
- Wastewater
- Stormwater
- Electric
- Natural Resources
- Affordable Housing

Those services that are basic to the safety, health and welfare of a community. Typically, these are services that are supported by the general tax payer or rate payer for economies of scale and for the good of the entire community.

Secondary

- Recreation
- Performing Arts
- Museum
- Library
- Cemeteries
- Golf
- Parks
- Natural Areas

- Transport
- Neighborhood Resources
- Human Rights
- Human Services Contract
- Airport

Those services that enhance the quality of life and to many increase the value of living and working in a community.

Support Services

- General Administration
- Legal
- Municipal Court
- Clerical Support
- Information Technology
- Finance
- Budget
- Human Resources
- City Clerk
- Fleet management
- Geographic Information Systems

Services that provide the management, guidelines and operational assistance to carry out the primary and secondary services.

EXHIBIT A