

AGENDA ITEM SUMMARY

FORT COLLINS CITY COUNCIL

ITEM NUMBER: 30

DATE: November 2, 1999

STAFF: John Fischbach

SUBJECT:

Resolution 99-134 Adopting an Amendment to the Financial Management Policies.

RECOMMENDATION:

This Resolution to amend the Financial Management Policies is a directive of Resolution 99-46, adopted by City Council on April 20, 1999. Staff and the Finance Committee recommend adoption of this Resolution.

EXECUTIVE SUMMARY:

On April 20, 1999, Council adopted Resolution 99-46. That Resolution established the Principles for Budget planning including the categorization of services and priorities of funding. These Principles guide in planning the allocation of limited resources to best meet the service needs for the good of the whole community. The Principles also provide a written framework that will help residents better understand why and how decisions regarding the allocation of resources to meet service needs are made.

Resolution 99-46 also directed the City Manager to prepare an amendment to the City's Financial Management Policies to incorporate the Principles for Budget Planning and to present that amendment for Council consideration as part of the 2000 and 2001 budget process. The amendment adopted by this Resolution will become part of the Financial Management Policies of the City. The Policies remain in effect until they are subsequently amended or repealed by Council action.

Attached to this Agenda Item Summary is a copy of Resolution 99-46 as adopted by Council.

COPY

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

COPY

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.

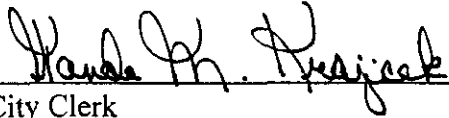
Section 2. That the City Manager is hereby directed to prepare a proposed amendment to the City's Financial Management Policies which would incorporate the foregoing principles into said policies, and to present to the same to the City Council for its consideration as part of the upcoming budget process 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 | Water |
| Fire | Wastewater |
| Streets | Stormwater |
| Building Inspection | Electric |
| Development Review | Natural Resources |
| Facilities Maintenance
(all public facilities
including parks) | Affordable Housing |
| Pedestrian Access | |
| Engineering | |

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 | Transport |
| Performing Arts | Neighborhood Resources |
| Museum | Human Rights |
| Library | Human Services Contract |
| Cemeteries | Airport |
| Golf | |
| Parks | |
| Natural Areas | |

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

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

COPY

EXHIBIT A

RESOLUTION 99-134
OF THE COUNCIL OF THE CITY OF FORT COLLINS
ADOPTING AN AMENDMENT TO THE FINANCIAL
MANAGEMENT POLICIES

WHEREAS, City Council has adopted Financial Management Policies for the City pursuant to Resolution 94-174; and

WHEREAS, Resolution 94-174 provides that the Council may adopt amendments to the City's Financial Management Policies; and

WHEREAS, Council previously adopted Resolution 99-46 that established the Principles for Budget Planning; and

WHEREAS, Resolution 99-46 directed that the City's Financial Management Policies be amended to incorporate the Principles for Budget Planning therein; and

WHEREAS, the City is committed to sound and efficient financial planning and management; and

WHEREAS, the proposed amendment to the Financial Management Policies establishes guidelines for sound and efficient financial planning and management, and reflect current requirements and laws that apply to the City's financial activities; and

WHEREAS, the City Council wishes to adopt this amendment to the City's Financial Management Policies in pursuit of its objective of sound and efficient financial planning and management.

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

Section 1. That the Council hereby adopts the amendment to the City's Financial Management Policies attached hereto as Exhibit "A" and incorporated herein by this reference.

Section 2. That the amendment to the Financial Management Policies adopted by the passage of this Resolution shall be included as part of the said Policies and those Policies shall hereafter remain in effect until the same are amended or repealed by subsequent action of the City Council.

Passed and adopted at a regular meeting of the Council of the City of Fort Collins held this 2nd day of November, A.D. 1999.

Mayor

ATTEST:

City Clerk

EXHIBIT A

1.6 PRINCIPLES FOR BUDGET PLANNING

The City provides a wide variety of services to the residents of the community. It is the responsibility of City Council to adopt a budget and manage the available resources to best meet the service needs for the overall good of the community.

To aid in planning for the allocation of resources to meet the good of the whole community, Council adopted Resolution 99-46 that set forth the Principles for Budget Planning. Those Principles as adopted by Council are as follows.

- 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 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. Primary services are

Police	Water	Wastewater
Fire	Streets	Stormwater
Building Inspection	Electric	Natural Resources
Development Review	Engineering	Affordable Housing
Facilities Maintenance (all public facilities including parks)	Pedestrian Access	

- E. Secondary services are those services that enhance the quality of life of the residents and to many, increase the value of living and working in the community. While the value of 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. Secondary services are

Recreation	Transport	Neighborhood Resources
Performing Arts	Human Rights	Library

Cemeteries Golf Human Services Contract
Airport Parks Natural Areas
Museum

- F. Support services provide the management, guidelines, and operational assistance to carry out the provision of primary and secondary services. Resources should be allocated to support services to support the level and quality of primary and secondary services expected and desired by the community. Support services are

General Administration Finance Legal
Budget Human Resources City Clerk
Clerical Support Fleet Management
Information Technology Geographic Information Systems

- G. No new services, other than those identified as primary services, 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.