ROSEVILLE

REQUEST FOR COUNCIL ACTION

Date: 9/14/09
Item No.: 12.f

Department Approval | City Manager Approval

Item Description: Consider Scheduling Additional Meetings to Discuss the 2010 Budget

BACKGROUND

On September 14, 2009, the City Council will adopt a preliminary, non-to-exceed, property tax levy for 2010. In adopting this preliminary levy, it was understood that the Council would conduct a series of additional budget-related meetings to establish funding priorities and to make final spending decisions before the annual truth-in-taxation meeting.

In recognition of the importance of these additional budget meetings, City Staff is recommending the following schedule:

2010 Budget Meeting Schedule

Date	Topic / Purpose	Est. Duration
October 12, 2009	Prioritization session – Phase I	2 Hours
October 19, 2009	Prioritization session – Phase I (tentative)	1 Hour
November 9, 2009	Prioritization session – Phase II	2 Hours
November 16, 2009	Finalize 2010 Tax Levy and Budget	1 Hour
December 7, 2009	Truth in Taxation Hearing	1 Hour
December 21, 2009	Adopt Final 2010 Budget and Tax Levy	1 Hour

It is suggested that the first prioritization session be structured in a way that allows the Council to prioritize all city programs <u>independent</u> of the costs or service levels associated with those programs. This ensures that on a fundamental level, programs that are valued the most are ranked the highest. A second prioritization session is tentatively scheduled the following week to complete this initial ranking process.

The second phase of the prioritization process will focus on matching up program rankings with the costs associated with those programs. The costs will reflect the 2009 Budgeted amounts for reference purposes, as well as the estimated amounts needed in 2010 to maintain these programs at existing service levels. It is expected that for 2010, program costs will exceed available revenues. If this occurs, the Council will then be asked to either; 1) reprioritize the programs, 2) reallocate funding, or 3) suspend programs.

The initial prioritization sessions will include a citywide prioritization process whereby City Councilmembers will be expected to assign general priority categories to each city program or function. Suggested priority categories include:

1) **High priority (Priority #1)**
   - High priority items include any federal or state mandates, legal or contractual (multi-year) obligations, or functions that are <u>essential</u> to preserving the health, safety, and welfare of the community.

2) **Medium priority (Priority #2)**
   - Medium priority items include functions not included in category #1, yet create the greatest value and/or benefit the largest number of residents. It also includes those functions that help the City distinguish itself from other communities.

3) **Low priority (Priority #3)**
   - Low priority items include functions not included in category #1 or #2, yet create added or complimentary value to high or medium priorities. These priorities are funded only after it has been determined that high and medium priorities have been funded at a sufficient level.

As shown above, it is suggested that each meeting take place at a regularly scheduled City Council meeting. After completion of the November 16, 2009 discussion, the City should be well-positioned to communicate to residents what they can expect in 2010 with regard to programs and services, service levels, and overall tax burden.

POLICY OBJECTIVE

Establishing a budget process that aligns resources with desired outcomes is consistent with governmental best practices, provides greater transparency of program costs, and ensures that budget dollars are allocated in the manner that creates the greatest value.

FINANCIAL IMPACTS

Not applicable.

STAFF RECOMMENDATION

Staff recommends that the Council establish the additional budget priority meetings identified above for the purposes of continuing discussion on the 2010 Budget.

REQUESTED COUNCIL ACTION

Motion to establish additional meetings to continue discussing the 2010 Budget.

Prepared by: Chris Miller, Finance Director
Attachments: A: N/A