



OROVILLE CITY COUNCIL
Council Chambers, 1735 Montgomery Street

SPECIAL MEETING
APRIL 6, 2015
4:00 P.M.
AGENDA

ROLL CALL

Council Members Berry, Del Rosario, Hatley, Pittman, Simpson, Vice Mayor Wilcox, Mayor Dahlmeier

PLEDGE OF ALLEGIANCE

RECOGNITION OF INDIVIDUALS WHO WISH TO SPEAK ON AGENDA ITEMS

This is the time the Mayor will invite anyone in the audience wishing to address the Council on a matter that is on the agenda to state your name and the agenda item on which you wish to speak. When that item comes up on the agenda, you will be asked to step to the podium, repeat your name for the record, and make your presentation or ask questions regarding the agenda item. Following your remarks, Council and/or staff may respond to your comments or questions. **Presentations are limited to three minutes per person.** Under Government Code Section 54954.3 the time allotted for presentations may be limited.

SPECIAL BUSINESS

1. OPENGOV WEB APPLICATION FOR TRANSPARENCY – staff report

The Council may consider approval of the City's OpenGov web application for transparency. **(Ruth Wright, Director of Finance)**

Council Action Requested: **Direct staff, as necessary.**

2. PROPOSED BUDGET FISCAL POLICIES – staff report

The Council may consider approval of proposed Budget Fiscal Policies. **(Ruth Wright, Director of Finance)**

Council Action Requested: **Review the proposed draft Budget Fiscal Policies for the City and provide direction to staff regarding the creation of Financial Policies to be included in the City's Budget document.**

3. DISCUSSION OF DEPARTMENT HEAD UPDATED GOALS AND OBJECTIVES FOR FISCAL YEAR 2015/16

Council Action Requested: **Direct staff, as necessary.**

4. DISCUSSION OF FINANCE GOALS FOR BUDGET PREPARATION

Council Action Requested: **Direct staff, as necessary.**

CITY ADMINISTRATOR/ ADMINISTRATION REPORTS

- Finance Department – activity report

ADJOURNMENT

The meeting will be adjourned to a regular meeting of the Oroville City Council to be held on Tuesday, April 7, 2015 at 5:00 p.m.

**OROVILLE CITY COUNCIL
STAFF REPORT**

TO: MAYOR AND COUNCIL MEMBERS
FROM: RUTH WRIGHT, FINANCE DIRECTOR
RE: OPENGOV WEB APPLICATION FOR TRANSPARENCY
DATE: APRIL 6, 2015

SUMMARY

The Council may consider approval of the City's OpenGov web application for transparency.

DISCUSSION

With financial transparency a top priority for the City, staff has initiated a web based tool to display the City's financial data. This tool will provide intuitive instant access to financial data to engage residents and staff to improve communication and build trust. This powerful visualization software transforms volumes of raw data into actionable insight and information, enabling better analysis and understanding of the city's budget. Currently users can view and compare annual financial information for the six previous years. Plans for uploading more recent (current year) information are in the works. Staff is working to get this link on the City's website.

FISCAL IMPACT

A cost of \$2,800 per year is included in the Finance Department budget, (Outside Services), beginning March 2014.

RECOMMENDATION

Direct staff, as necessary.

ATTACHMENTS

Link: <https://orovilleca.opengov.com>

**OROVILLE CITY COUNCIL
STAFF REPORT**

**TO: MAYOR AND COUNCIL MEMBERS
DONALD RUST, ACTING CITY ADMINISTRATOR**

FROM: RUTH WRIGHT, FINANCE DIRECTOR

RE: PROPOSED BUDGET FISCAL POLICIES

DATE: APRIL 6, 2015

SUMMARY

The Council may consider approval of proposed Budget Fiscal Policies.

DISCUSSION

In following best practices in budgeting as outlined by the Government Finance Officers Association (GFOA) the City may consider some changes to our current budget. One improvement to be considered is the creation of Budget Fiscal Policies to be included in the budget document.

Some of the most powerful arguments in favor of adopting formal, written fiscal policies include:

- To institutionalize good financial management practices and define boundaries
- To clarify strategic intent for financial management and promote long-term strategic thinking
- To support good bond ratings and to manage risks to financial condition
- To comply with established public management best practices

Since the adoption of the Budget is based upon estimates of revenue and estimates of needs, fiscal policies are adopted to aid in administering the Budget during the course of the fiscal year in light of varying conditions which may occur.

FISCAL IMPACT

Staff time to prepare Fiscal Policies to present to Council.

CC-2

RECOMMENDATION

Review the proposed draft Budget Fiscal Policies for the City and provide direction to staff regarding the inclusion of such policies to be included in the City's Budget document.

ATTACHMENTS

Draft Budget Fiscal Policies

BUDGET FISCAL POLICIES

Definition of a balanced budget: At the most basic level a balanced operating budget is one where normally occurring revenues are equal to normally occurring expenditures within a budget period.

Unlike private entities there are no bottom line profit figures that assess the financial performance of the City, nor are there any authoritative standards by which City Officials can judge themselves. Instead, City Officials work together to set goals and objectives that measures the performance and effectiveness of municipal programs and services.

Financial Policies are used to establish similar goals and targets for the City's financial operations, so that City Officials can monitor how well the City is performing. Formal Financial Policies provide for a consistent approach to fiscal strategies and set forth guidelines to measure financial performance and future budgetary programs.

The following pages contain policy framework in the following areas:

- General Financial Goals
- Operating Management
- Revenues
- Budget and Expenditures
- Capital Management
- Debt Management
- Reserves
- Financial Reporting

GENERAL FINANCIAL GOALS

TBD

OPERATING MANAGEMENT

TBD

REVENUE POLICIES

Bad Debts and Collections – The City will adopt an aggressive and consistent policy of collecting revenues to the limit of our ability. The collection policy goal will be for all adjusted uncollectible accounts to be no more than .5 of 1% of the total City revenue being adjusted for bad debts annually.

Dedication of Revenue – Revenues will not be dedicated for specific purposes unless required by law or generally accepted accounting principles (GAAP). All non-restricted revenues will be deposited in the General Fund and appropriated by the budget process.

Fees – The City's fee structure shall be updated annually for reasonableness. Fees with a cost recovery goal of 100% shall be updated based on the cost of the service. Fees below the 100% cost recovery goal shall be updated based on a standard escalator based on the consumer price index. Fees are generally subsidized where collection of fees is not cost effective; collection of fees would not comply with regulatory requirements; purpose of the fee is not to offset cost but to provide benefits to the recipients and the community.

Financial Stability – Current revenues will fund current expenditures and a diversified and stable revenue system will be developed to protect programs from short-term fluctuations in any single revenue source.

Grants – Grant funding will be considered to leverage City funds. Inconsistent and/or fluctuating grants should not be used to fund ongoing programs. Programs financed with grant monies will be budgeted in separate cost centers and the service program will be adjusted to reflect the level of available funding. In the event of reduced grant funding, City resources will be substituted only after all program priorities and alternatives are considered during the budget process.

One Time Revenues – One Time Revenues received during the fiscal year that was not anticipated during the budget process will be primarily dedicated to established goals set forth by Council. Goals will be set forth during the budget process and may include but are not limited to; reducing fund deficits, replenishing reserve fund, debt reduction, infrastructure repairs, capital projects,

discretionary expenditures and negotiable items. Receipt of One Time Revenue of more than \$100,000 will be brought before Council for consideration.

BUDGET AND EXPENDITURE POLICIES

TBD

CAPITAL MANAGEMENT

TBD

DEBT MANAGEMENT

TBD

RESERVES

TBD

FINANCIAL REPORTING



CITY OF OROVILLE
FINANCE OFFICE
1735 MONTGOMERY STREET
OROVILLE, CA 95965-4897

530-538-2410

TO: MAYOR AND COUNCIL MEMBERS
DONALD RUST, ACTING CITY ADMINISTRATOR

FROM: RUTH WRIGHT, FINANCE DIRECTOR

RE: FINANCE DEPARTMENT ACTIVITY REPORT

DATE: APRIL 6, 2015

IMPORTANT BUDGET DATES:

May 11th 4:00-8:00, Final Budget Workshop

May 19th, regular Council meeting, Present preliminary Budget to Council

June 2nd, regular Council meeting, Public hearings and Council preliminary approval

July 7th regular Council meeting, Final Budget adoption by Council

July 21th regular Council meeting, Final Budget printed copy distribution

*dates in bold are mandated by City Charter