

**MEMORANDUM**

Finance and Administrative Services Department

DATE: December 6, 2023

TO: Council Finance Committee

FROM: Grace Zheng, Assistant Finance and Administrative Services Director
Derek Rampone, Finance and Administrative Services Director

SUBJECT: Proposed Changes to Council Policy A-11, Financial and Budgetary Policy

RECOMMENDATION

To recommend the City Council adopt revisions to Council Policy A-11, Financial and Budgetary Policy (Council Policy A-11).

BACKGROUND

The City Council Financial and Budgetary Policy A-11 (Policy A-11) was originally adopted on December 13, 1976 and was last modified on June 12, 2018. Policy A-11 establishes City policies related to budget revenues, expenditures, reserves, capital improvements, cash management and investments, accounting, debt management, and risk management.

DISCUSSION

Staff reviewed the existing Policy A-11 and have recommended updates to make to the policy.

The key changes are summarized below:

1. Incorporated the Budget and Accounting procedures from the Adopted Budget documents into this policy.
2. Updated the General Fund Earned Lease Revenue Reserve and what it can spend on.
3. Updated the Liability Self-Insurance Reserve to provide more explicit guidance on the reserve level.
4. Added the Parental Leave Reserve and the Employee Loan Reserve per programs approved by the City Council.
5. Updated the Sea Leave Rise Reserve and Landfill Reserve based on the latest studies.

Other cleanup and minor modifications are identified by underline and strikeout in the attached copy of Policy A-11 (Attachment 1).

GZ-DR/6/FIN

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- Attachments:
1. Council Policy A-11, Financial and Budget Policy (redline)
 2. Council Policy A-11, Financial and Budget Policy (clean)