
Council Budget and Fiscal Policies

1. Focusing on the long-term fiscal health of the City by adopting a two-year budget and conducting multi-year planning.
2. Building prudent reserves with a target range of between 20 to 30% of General Fund revenues.
3. Developing long-term strategies to reduce unfunded liabilities.
4. Controlling labor costs while minimizing layoffs and promoting retention of City staff.
5. Primarily allocating one-time revenue for one-time expenditures (e.g., capital investments and deferred maintenance).
6. Requiring enterprise and grant funds to balance and new programs to pay for themselves.
7. Any new expenditure requires new revenue or expenditure reductions.
8. Property transfer tax:
 - a. When possible, allocate excess property transfer tax over the baseline to short-term operational needs, General Fund reserves and the City's capital infrastructure plan.
 - b. Increase the property transfer tax baseline for operational needs with a permanent adjustment to \$16.0 million beginning in fiscal year 2025
9. As the General Fund subsidy to the Safety Members Pension fund declines over the next several years, the amount of the annual decrease will be used to help fund the new Police Employee Retiree Health Plan.
10. Allocating annual savings derived from the prepayment of the annual CalPERS unfunded liability payments to the City's Section 115 Pension Trust up to \$5.5 million per fiscal year or as advised by the City's actuarial and staff.
11. Allocating any additional revenue earned from investments that is over the annual (fiscal year) baseline of \$6 million in the following manner:
 - a. One-third to the Section 115 Pension Trust up to \$5.5 million per fiscal year, or as advised by the City's actuarial and staff,
 - b. One-third to General Fund reserves up to 20-30% of General Fund revenue, or as recommended by Council policy, and
 - c. One-third to address the City's capital infrastructure plan.