

INTRODUCED BY COUNCILMEMBER _____

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OAKLAND

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CITY ATTORNEY

OAKLAND CITY COUNCIL

2003 JUN 12 PM 5:07

RESOLUTION NO. 77922 C. M. S.

RESOLUTION ADOPTING THE CITY OF OAKLAND'S POLICY ON BALANCED BUDGETS

WHEREAS, the Government Finance Officers Association (GFOA) recommends that jurisdictions adopt policies that define a balanced budget, encourage commitment to balanced budgets under normal circumstances, and provide for disclosure when a deviation from a balanced budget is planned, or when it occurs; and

WHEREAS, unbalanced budgets can lead to increased interest charges, which reduces monies available for operations and services; and

WHEREAS, balanced budgets ensure responsible use of the taxpayers' dollars to provide City services; now therefore, be it

RESOLVED: that the City Council of the City of Oakland hereby finds, determines, declares and resolves as follows:

Section 1. All of the recitals set forth above are true and correct.

Section 2. The City Council hereby adopts a balanced budget policy, as set forth below:

CITY OF OAKLAND'S POLICY ON BALANCED BUDGETS

1. Purpose/Definition

The City shall adopt balanced budgets, i.e., containing appropriated revenues equal to appropriated expenditures. This policy entails the following additional definitions and qualifications:

1. The budget must be balanced at an individual fund level.
2. City policies on reserve requirements for individual funds must be taken into account. The appropriated expenditures to be included in the balanced budget equation must include the appropriations necessary to achieve or maintain an individual fund's reserve target.
3. Appropriated revenues can include transfers from fund balance where such fund balance is reasonably expected to exist by the end of the fiscal year preceding the year of the adopted budget. Transfers from fund balance are not to be counted as revenue if the fund balance is not reasonably expected to exist by the end of the fiscal year preceding the year of the adopted budget. (Note: The precise definition of 'fund balance'

will vary from fund to fund, depending on the fund's characteristics and accounting treatment.)

II. General Responsibilities

The City Manager, shall be responsible for ensuring that the budget proposed to the City Council by the Mayor / City Manager adheres to the balanced budget policy. Currently, the Budget Office under the supervision and direction of the City Manager, performs this function.

III. Annual Monitoring & Reporting

Each fiscal year, once prior year information has been made available by the Controller's Office, the City Manager, shall produce a balanced budget report to the Council. The report shall state, for each fund in which current year appropriations exist, whether the actual year-end data from the prior year has caused any individual fund to be in violation of the balanced budget policy. If so, the the City Manager, shall recommend steps to be taken to bring that fund back into compliance with the policy. Currently, the Budget Office, under the supervision and direction of the City Manager performs these functions.

JUL 15 2003

In Council, Oakland, California, _____, 2003

PASSED BY THE FOLLOWING VOTE:

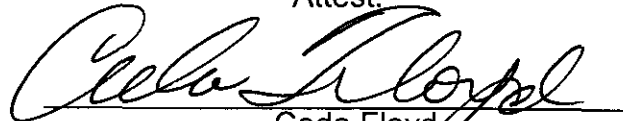
Ayes- BROOKS, BRUNNER, CHANG, NADEL, QUAN, REID, WAN AND
 PRESIDENT DE LA FUENTE - 8

Noes-

Absent-

Abstention-

Attest:



Ceda Floyd
City Clerk and Clerk of the
Council of the City of
Oakland, California