



**CITY OF SALINAS  
FINANCE COMMITTEE**

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**DATE: JANUARY 7, 2019**

**DEPARTMENT: FINANCE DEPARTMENT**

**FROM: MATT N. PRESSEY, CPA, FINANCE DIRECTOR**

**TITLE: LONG-TERM FISCAL AND SUSTAINABILITY IMPACT POLICY**

**RECOMMENDED MOTION:**

A motion to recommend the City Council approve adding a long-term fiscal and sustainability impact section to the Financial Policies of the City of Salinas as recommended by the National Resource Network in the Salinas Plan.

**DISCUSSION:**

The Salinas Plan developed by the National Resource Network includes many recommendations to help the City address the City's structural deficit. Thirty-two recommendations were made in their report on the Salinas Plan. One of the recommendations is a policy recommendation to require a minimum five-year budget forecast that shows how the current budget being considered by the City Council for approval helps maintain fiscal sustainability over a longer-term horizon. Staff has written a financial policy that will be added to the Financial Policies adopted by the City Council each year as part of the operating budget document. The new policy will be added to a fiscal impact and sustainability section to the Financial Policies.

**FISCAL AND SUSTAINABILITY IMPACT:**

There is not cost of implementing this financial policy.

**ATTACHMENTS:**

1. Exhibit A – Proposed Policy

## EXHIBIT A

The following new financial policy is proposed:

### **IXX. LONG-TERM FISCAL AND SUSTAINABILITY IMPACT**

- A. Purpose - This policy documents requirements and responsibilities for considering the long-term impact of current decisions.
- B. Annual Budgets - As part of the annual budget, the document will include a minimum five-year budget forecast that shows how the current budget being considered by the City Council for approval helps maintain fiscal sustainability over a longer-term horizon.
- C. Staff Reports - On each staff report to City Council, the report should include a section on fiscal and sustainability impact. For impacts greater than \$100,000 for one fiscal year and that continue for more than 3 years, a table showing the impact over a 10-year period should be added to the staff report in the fiscal impact and sustainability section of the staff report.