



**CITY OF SALINAS
FINANCE COMMITTEE**

DATE: SEPTEMBER 9, 2019

DEPARTMENT: FINANCE DEPARTMENT

FROM: MATT N. PRESSEY, CPA, FINANCE DIRECTOR

**TITLE: SALINAS PLAN IMPLEMENTATION UPDATE - LONG-TERM FISCAL
AND SUSTAINABILITY IMPACT**

RECOMMENDED MOTION:

No motion is required for this item. Comments and feedback from the Finance Committee on the implementation of this Salinas Plan initiative is requested.

DISCUSSION:

Each month, staff brings at least one item from the Salinas Plan as an update on implementation of the Salinas Plan.

The Salinas Plan has 32 recommendations, two of which are categorized as “Risk Mitigation”. The Risk Mitigation category are actions the City can take to reduce long-term budgetary risk. The “RM02. Incorporate Multi-Year Financial Planning into All Budgetary Actions” recommendation is one of the two risk mitigation recommendations. The Salinas Plan recommends the City Council be informed not only the immediate impacts of their decisions, but the long-term consequences as well. A financial policy was developed at the January 7, 2019 Finance Committee meeting and later formally adopted with the FY 2019-20 adopted budget on June 4, 2019. As a reminder, Exhibit A shows the policy that was adopted.

As part of implementing the policy, staff has developed a table and graph format to add to the standard City Council report template. Written instructions have been developed and the format has been shared with the Department Directors for feedback. At this Finance Committee, I will demonstrate how staff will use the new format.

FISCAL AND SUSTAINABILITY IMPACT:

There is not cost of implementing this financial policy.

ATTACHMENTS:

1. Exhibit A – Long-Term Fiscal and Sustainability Impact 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.