



Budget Principles for 2017-18

(As adopted by the City Council on January 24, 2017)



- The City's Code of Ethics and Values, especially being Fiscally Responsible, Communicative, and Service-Oriented, will be used as a guide for decisions.
- Budget decisions will be made with long-term implications taken into account, using data from the Five-Year Financial Plan.
- The perception of funding actions, as well as the fiscal impact, will be considered before budgetary decisions are made.
- Focus on projects and services that provide benefit to the community as a whole.
- Pursue economic development objectives and strategies to foster new public and private investment within Santa Clara, and to create employment opportunities.
- Ensure ongoing revenues are sufficient to cover the full cost of any staffing changes or service level enhancements.
- It is important to find the right balance between compensation for existing employees and funding for new positions.
- As positions become vacant through attrition, it is prudent to review the services they supported to determine whether the resources would be better allocated to other areas based on today's environment.
- One-time unrestricted revenues (e.g., annual General Fund surplus) should only be used for one-time uses such as increasing reserves, funding capital projects, paying off debt, and/or paying off unfunded pension or other post-employment benefits liabilities.
- Funding challenges due to the impacts of the last recession resulted in the delay of many capital improvement, major maintenance, and technology projects (e.g., street resurfacing, equipment replacement, replacing older and/or obsolete computer applications, etc.) creating a backlog of needed work. It is important to set aside a portion of one-time monies to reduce this backlog.
- In accordance with Council policy, continue to maintain the General Fund Working Capital Reserve balance at or above targeted levels for the long-term fiscal health of the City.
- Inform residents, businesses and employees of any fiscal challenges along with the City's responses.
- With limited exceptions, establish fees based on full cost recovery where individuals/businesses rather than the community at-large are benefiting from City services. This preserves limited unrestricted resources for providing services that benefit the community as a whole.