



Budget Principles for 2018-19

(As proposed to the City Council on January 19, 2018)

- Make decisions within the context of the City's Code of Ethics and Values, especially being Fiscally Responsible, Communicative, and Service-Oriented.
- Consider budget decisions with long-term implications taken into account using data from the Ten-Year Financial Plan.
- Maximize service delivery within existing resources by balancing ongoing expenditure needs with ongoing revenues to avoid negative impacts on future budgets and maintain the City's high standards of fiscal integrity and financial management.
- Focus on projects and services that benefit 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.
- Balance between compensation adjustments to retain and attract employees and funding for positions.
- Use one-time unrestricted revenues (e.g., annual General Fund surplus) for one-time uses such as increasing reserves, funding capital or Information Technology projects, paying off debt, and/or paying off unfunded pension or other post-employment benefits liabilities.
- In accordance with Council policy, continue to maintain the General Fund Budget Stabilization Reserve balance at or above the policy level of 25% of adopted budget expenditures for the long-term fiscal health of the City.
- Inform and communicate clearly and broadly to residents, businesses and employees of the City's fiscal position and budget schedule/hearings to actively participate in the City Council's budget deliberations.
- 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.
- Focus on business process redesign in order to improve employee productivity and the quality, flexibility, and cost-effectiveness of service delivery (e.g., streamlining, simplifying, reorganizing functions, and reallocating resources).
- Explore expanding existing revenue sources and/or adding new revenue sources.
- Engage employees to contribute new and innovative ideas during the department budget development process.
- Use the General Plan as a primary long-term fiscal planning tool and link ability to provide City services to development policy decisions.