

Purpose: "...to identify more effective processes to compile, present, and evaluate financial information on both routine and exception bases that will improve the quality and timeliness of financial decision-making for the city."

Collaborative work among staff, Finance Commission, and City Council

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**FINANCIAL AD-HOC COMMITTEE**

\* Near-term: Mid-year '20-'21 financial review

\* Longer-term: Full year cycle

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**TWO TIME-FRAMES**

Compare forecast to actual revenue by major revenue categories for Q1+Q2

Describe reasons for differences and prospect for next two quarters

Provide status on CIP, including options for continuing or deferring projects

Recommend other changes for balance of FY

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**MID-YEAR '20-'21 FINANCIAL REVIEW**

Continue to provide and refine information on funding requirements in staff reports on projects being considered by Council

Council to clearly determine funding sources for non-budgeted items, including deferral of budgeted items as needed

Establish policy for assignment of excess of operating revenue over operating expenses plus funds allocated to CIP to reserves, CalPERS, OPEB, and other reserves at mid-year and end-of-year (development planned by Finance Commission)

Integrate CIP budgeting as part of annual budget (Finance Commission recommendation 4/20)

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**FULL-YEAR CYCLE – ALREADY AGREED**

Establish each year's schedule for approval of annual budget and quarterly reviews and make priority for Council meeting calendar

Improve internal processes to accelerate monthly and quarterly closes (reduce A/R and A/P processing times)

Close each quarter and review with Finance Commission and Council

Consider joint Finance Commission/City Council meetings for review

- Q1 and prior year
  - Q2 and mid-year
- to improve timeliness of decisionmaking

Close FY and review with Finance Commission and Council in advance of completion of audit and presentation of CAFR to allow more timely adjustments of budget then in place (consider review of prior year results with Q1 for new year)

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**FULL-YEAR CYCLE – NEW**

Include quarterly revenue projections (property tax, sales tax, TOT, other) in annual budget and review against actuals during quarterly reviews to allow timely forward-looking adjustments

Establish routine schedule for updating status of development projects and expected dates of revenue receipt, especially for impact fees, Park-in-Lieu, etc.

Expand Finance Commission role in Quarterly Investment Portfolio Reviews to include a meaningful narrative to Council on expected vs. actual results, policy recommendations on apportionment among investment types, other than routine cash-flow driven changes in portfolio balances, etc.

Explore forecasting and scenario options in new software.

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**FULL-YEAR CYCLE – NEW**