

Exhibit A: Financial Policy Backup

General Fund Financial Policy – Current

3. To improve financial planning, non-emergency amendments to the Adopted Budget shall be accomplished in one mid-year Council Meeting except in cases where the amendments are fully offset by new revenue resulting from the initiative and there is no discretion on how the revenue is spent.

General Fund Financial Policy – Revised

3. To improve financial planning and control, budget amendments should be infrequent and limited to cases where:
 - i. Funding is required to address extraordinary circumstances resulting from a natural disaster, a public health emergency, or other similar critical need that could not have been reasonably anticipated when the budget was adopted; or
 - ii. There are significant costs or risks associated with delaying funding until the next budget cycle; or
 - iii. Cost increases are fully offset by new revenue resulting from the initiative and there is no discretion on how that revenue is spent, such as new grant awards; or
 - iv. Correction of errors or omissions in the Council Approved Budget.

Prior to City Council consideration of any budget amendment, the Budget Office will review all department and fund budgets to first determine if the new funding requirements can be met within existing appropriation limits or other appropriate revenue sources. Reserves should only be used when no other funding sources can be identified. Budget amendments resulting in recurring expenses should generally not be funded with one-time sources or revenue.