



Budget Principles for 2014-15

(As adopted by the City Council on January 14, 2014)



- Budget decisions will be made with long-term implications taken into account, using data from the Five Year Financial Plan.
- Value of fiscal responsibility will be used as a guide for decisions.
- Focus on benefit to community as a whole.
- Inform residents, businesses and employees of challenges and the City's responses.
- Team-based approach to identify and implement cost saving measures including input and participation from all major stakeholders.
- Pursue economic development objectives and strategies to foster new public and private investment within Santa Clara, and to create employment opportunities.
- Budget decisions will be made as a whole in context, with no special requests considered in isolation.
- Any necessary reduction in permanent positions will be accomplished first through attrition and retirements, with layoffs used only as a last resort.
- Continue to pursue ways to ensure ongoing revenues and expenditures are balanced, recognizing that the City's General Fund has been impacted by the dissolution of the City's Redevelopment Agency and rising pension rates, and that the use of one-time monies is only a temporary solution.
- Since balances in the City's General Fund Working Capital (Emergency) Reserve and Utility Reserves continue to be below target, the use of reserves does not provide a viable solution to balance any ongoing revenue/expenditure gap.
- The implementation of strategies to balance the budget may take time requiring short-term solutions until ongoing savings associated with structural changes are realized.
- In accordance with Council policy, continue to rebuild the General Fund Working Capital (Emergency) Reserve for the long-term financial health of the City.
- Review options for consolidation of functions that reduce operational costs and improve efficiency.
- Consider delay in opening or phase in opening of new facilities, particularly those Capital Improvement Projects (CIP) that have significant continuing staffing, operational and maintenance costs.
- The perception of funding actions, as well as the fiscal impact, will be considered before expenditures are made.
- 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.