



Budget Principles for 2011-12

(As adopted by the City Council on April 19, 2011)



- 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.
- Meet with employee bargaining groups to discuss the subject of pension reform, including but not limited to the possibility of a 2nd tier retirement plan for future new hires.
- Any necessary reduction in permanent positions will be accomplished first through attrition and retirements, with layoffs used only as a last resort.
- Continue implementation of a three-year strategy to bring ongoing revenues and expenditures into balance, recognizing that the City's General Fund has a structural deficit and that the use of one-time monies is only a temporary solution.
- Since the City's General Fund Emergency Reserves, Capital Project Reserves, and Utility Reserves continue to be at historically low levels, the use of reserves does not provide a viable solution to the revenue/expenditure gap.
- The City recognizes that the implementation of strategies to resolve the structural deficit may take time requiring short-term solutions until ongoing savings associated with structural changes are realized.
- As soon as possible, return to the Council policy to rebuild General Fund Contingency Reserves (Emergency Working Capital and Capital Projects) for the long-term financial health of the City.
- Reduce hours of operations as required while maintaining essential service levels.
- 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.
- 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.