

FINANCE SUBCOMMITTEE
Definitions – Audit, Budget & Fund Policies

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City of Walnut Creek City Council
Finance Subcommittee - Definitions
(Approved by the City Council - January 21, 2014)

ANNUAL AUDIT REPORTS:

1. Annual Audit and Management Letter (*Current Assignment*)

Review the Annual Audit and Management Letter from the Independent Auditors hired by the City. Make recommendations to the City Council on the acceptance of these reports to the full City Council.

TWO YEAR BUDGET

2. Operating Budget – All Funds (*New*)

Review the proposed Budget Calendar and Process, initial projections of operating revenues, expenses and program impacts from the City Manager, Administrative Services Director and Finance Manager.

Provide recommendations and advice:

- a) To the City Manager, Administrative Services Director, and Finance Manager on the presentation of the materials to the City Council and the Public; and
- b) To the City Council on the approach and status of the Two Year Operating Budget development and preparation process.

Tasks the subcommittee will undertake include:

- c) Review and recommend all expenditure assumptions built into two year expenditures (compensation, non-personnel costs, staffing levels, etc.).
- d) Review and recommend the cost allocation plan, cost recovery levels across service categories (e.g. development fees) and fee rate recommendations.
- e) Review and recommend all tax revenue projections (outside of fees).
- f) Review and recommend strategies for ensuring a balanced budget.

3. Capital Projects Budget (*New*)

Validate the proposed Capital Projects Budget Calendar and Process, Revenues and Expenses developed by the Public Services Director, City Engineer, Chief Information Officer, City Manager, Administrative Services Director and Finance Manager.

Provide recommendations and advice:

- a) To the Public Services Director, City Engineer, Chief Information Officer, City Manager, Administrative Services Director and Finance Manager on the presentation of the materials to the City Council and the Public; and
- b) To the City Council on the approach and status of the Two Year Capital Projects Budget development and preparation process.

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Tasks the subcommittee will undertake include:

- c) Review and recommend proposed capital projects that are consistent with the City's Capital Investment Policy approved by the City Council.
- d) Review and recommend allocation of available resources (grants, development fees, etc.) to asset management and discretionary projects in the proposed two year capital budget

4. Reserves and One-Time Funds (*New*)

Review the Reserve Levels and Use of One-Time Funds in accordance with established policies.

Provide recommendations and advice:

- a) To the City Manager, Administrative Services Director and Finance Manager on the presentation of the material to the City Council and the Public, and
- b) To the City Council on the use of available one-time revenues and/or reserves as part of the budget process for their consideration and action, including modifications to the policies, if needed.

Tasks the subcommittee will undertake include:

- c) Review and Recommend City Reserve Levels;
- d) Review and Recommend use of General Fund surpluses from prior audit years.
- e) Review and Recommend use of one-time revenues in developing two year capital and operating budgets.