

**BASE BUDGET POLICY**  
**Council Policy No. 03/00**

POLICY:

Establish a Council policy that the Annual General Revenue Fund Budget becomes the City's base budget for the subsequent year. The level of services expressed in the budget to be accomplished by the resources allocated under the following headings:

- ❖ Personnel costs and the approved staffing plan;
- ❖ Facilities as they existed in the base year;
- ❖ Equipment as is owned/leased in the base year;
- ❖ Materials/supplies to the level meet the existing service level;
- ❖ Contractual services to the level meet the existing service level;
- ❖ Equipment replacement and upgrading;
- ❖ Minor repairs to facilities;
- ❖ Debt charges for existing City debt.

The Council Policy is that the Financial Plan is prepared with Council's authority and that all base budget components are automatically incorporated. Any item that changes the base budget, the level of service, or the level of expenditure beyond inflation or mandated cost increase is subject to specific review and approval by the City Manager followed by Council review and approval.

The Base Budget concept is predicated in taxation and general revenue fund revenues as detailed in the Annual Budget. The current year's level of taxation and the other revenue sources will have to sustain the base budget expenditures. Mayor reductions in revenues or dramatic increases in operational costs will have to result in downsizing of the operation adequate to meet the reduction or conversely increases in user rates or other revenue sources (based on maintenance of the tax reduction policy).

The base budget is evolutionary; in other words, it changes and evolves from year to year in direct response to the adjustments approved by City Council ... the primary benefit of implementing a base budget concept is that it provides a means for Council to control the overall level of services and expenditures but focusing on the majority of Council's attention and time on the new and changing concepts of the budget.

The base budget system also allows the City Manager and Directors to proceed with budget preparation knowing that Council has pre-approved the base level of service/expenditures.