

City Council Meeting: June 25, 2019

Santa Monica, California

RESOLUTION NO. ____ (HAS)
(HOUSING AUTHORITY SERIES)

A RESOLUTION OF THE HOUSING AUTHORITY OF THE CITY OF SANTA MONICA
ADOPTING THE FIRST YEAR (FISCAL YEAR 2019-20) AND APPROVING THE
SECOND YEAR (FISCAL YEAR 2020-21) OF THE FISCAL YEAR 2019-21 BIENNIAL
BUDGET AND ADOPTING ITS CAPITAL IMPROVEMENT PROGRAM BUDGET FOR
FISCAL YEAR 2019-20

WHEREAS, the proposed Operating Budget for the Fiscal Year 2019-20 and Fiscal Year 2020-21, and the proposed Biennial Capital Improvement Program Budget for Fiscal Year 2019-20 were submitted to the Housing Authority of the City of Santa Monica (the "Housing Authority") not less than thirty-five (35) days prior to July 1, 2019; and

WHEREAS, the Housing Authority held a public hearing on said Budget after a notice of said budget hearing was published not less than ten (10) days prior thereto; and

WHEREAS, after said public hearing, the Housing Authority considered further its proposed Budget.

NOW THEREFORE, THE HOUSING AUTHORITY OF THE CITY OF SANTA MONICA RESOLVES AS FOLLOWS:

SECTION 1. The Fiscal Year (FY) 2019-20 Operating Budget, as submitted by the Executive Director and revised by the Housing Authority, included in the document

entitled “City of Santa Monica Proposed Biennial Budget FY 2019-21” (the “FY 2019-21 Budget”), as amended by Attachment D, is hereby adopted. The FY 2020-21 Operating Budget as submitted by the Executive Director and revised by the Housing Authority, included in the FY 2019-21 Budget, as amended by Attachment D, is hereby approved. The FY 2019-20 Capital Improvement Program Budget, as submitted by the Executive Director and revised by the Housing Authority, included in the FY 2019-21 Budget, as amended by Attachment D, is hereby adopted.

In adopting the FY 2019-20 Operating Budget and FY 2019-20 Capital Improvement Program Budget, the Housing Authority intends to, and by this Section does, adopt and approve the total operating appropriation for each departmental and non-departmental operating budget, consisting of Salaries and Wages, Supplies and Expenses (including Capital Outlay) major expenditure categories, each project of the Capital Improvement Program Budget, and the revenue detail. The Executive Director is authorized to allot by Department and fund as appropriated. Copies of the changes to the proposed Operating Budget for FY 2019-20 and FY 2020-21, and proposed Biennial Capital Improvement Program Budget for FY 2019-20 are attached hereto as Attachment D.

SECTION 2. A certified copy of the FY 2019-20 Budget and amendments shall be filed with the Director of Finance and with the Secretary, and certified copies of the FY 2019-20 Budget shall be reproduced and made available for use as directed by Santa Monica City Charter section 1505.

SECTION 3. In adopting the FY 2019-20 Budget, the Housing Authority re-appropriates the General Fund and all other Non-General Fund unexpended

encumbrances of the FY 2018-19 Budget.

SECTION 4. In adopting the FY 2019-20 Budget, the Housing Authority hereby approves the revision to the Operating Budget Policies set forth in the City's fiscal policies included in the FY 2018-19 Budget reestablishing expenditure control budgeting for year 1 of the biennial budget cycle, attached hereto as Exhibit 1.

SECTION 5. The Secretary shall certify to the adoption of this Resolution, and thenceforth and thereafter the same shall be in full force and effect.

APPROVED AS TO FORM:

LANE DILG
General Counsel to Housing Authority

Exhibit 1 Revision to Operating Budget Policies for FY 2019-21 Budget

OPERATING BUDGET POLICIES

- The City will adopt a balanced budget annually by June 30.
- The City will make all current, ongoing expenditures with current, ongoing revenues, avoiding procedures that balance current budgets by postponing needed expenditures or accruing future revenues.
- The City will estimate revenues using an objective and analytical process; in the case of assumption uncertainty, conservative projections will be used.
- The City will maintain a level of expenditures that support essential services and promote quality-of-life to its citizens.
- The City will forecast its General Fund and other major fund expenditures and revenues for a ten-year period and will update the forecast semi-annually. The forecast will be taken into consideration when preparing budget recommendations.
- The City will endeavor to maintain a diversified and stable revenue system to minimize the impact of short term fluctuations in any one revenue source.
- The City will avoid targeting revenues for specific purposes whenever possible, allowing maximum flexibility in funding decisions on an annual basis.
- One-time revenues will be used for one-time expenditures only.
- The City will investigate potential new revenue sources, particularly those that will not add to the tax burden of residents and local businesses.
- The City will implement expenditure control budgeting. At the end of each fiscal year, the City will reappropriate one-third of each General Fund Department's non-salary operating budget savings to each department, to be used as the Department Head decides to fulfill the mission of the department. The remaining two-thirds of the non-salary savings will be incorporated into the General Fund fund balance.
- Beginning in FY 2019-20, the City will follow an accelerated pay down of its unfunded pension liability as of June 30, 2019. The acceleration will be for a period of 13 years as further detailed in the Section below titled Principles for Pension Funding. These payments will be in addition to the Annual Required Contribution.
- The City will prefund other post employment benefit obligations (OPEB) each year, setting aside the equivalent of the actuarially determined annual required contribution (ARC) in an irrevocable trust.
- The biennial budget will establish measurable goals and objectives and allow reasonable time to accomplish those objectives.
- The City will work proactively with the League of California Cities and local communities to monitor and impact legislation that may impact the City financially.