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Staff Report

ITEM NO. 4-1

To: Lemoore City Council
From: Ron Hoggard, Interim City Manager *RH*
Date: April 24, 2015 **Meeting Date:** May 5, 2015
Subject: 2011 City of Lemoore Strategic Financial Policy (SFP)

Discussion:

Before we discuss the required four year review of the City of Lemoore Strategic Financial Policy (SFP), it is helpful to look at the very nature of the tasks and challenges that are found in our organization, as well as, others. Recently in our weekly staff meeting we discussed types of challenges which we refer to as "Problems". We also spoke about situations which come under the heading of "Polarities". Problems and Polarities can be defined or characterized as follows:

Problems:

A Problem is an unsettled question or situation requiring a solution.

Polarities:

Problems exist to be solved, while polarities exist to be managed.

The December 2000 Strategic Financial Policy (SFP) and the June 2011 SFP update or amended policy are examples of how the polarity revolving around revenues, expenditures and reserves has been managed. The 2011 adopted SFP reflects that "At least once every four years, the City Council shall review the Strategic Financial Policy to determine if the policies contained herein remain relevant and prudent".

With protracted draught conditions that exist in California and the elimination of California Redevelopment Agencies in February of 2012, relevant and prudent revisions to the policy will need to be discussed. While a comprehensive policy would be enhanced by having the new City Manager present during the discussion and formulation, some adaptations to the SFP will surface as part of the City budget which should be adopted before a new manager is in place.

The polarity revolving around the allocation, spending, replacing and reserving of City resources will be part of the current budget process, with additional thought to be given and discussions held with the new City Manager during this fiscal year.

Budget Impact:

This discussion has no budget impact. Decisions made to retain or change the current SFP will impact current or future budgets as provided for in the policy review process.

Recommendation:

This is an informational item and requires no action at this time.