

Alta Town Council



Staff Report

To: Town Council

From: Chris Cawley and Jen Clancy

Re: Town of Alta Budget Process, Decision to Create a Budget Committee

Date: February 5, 2024

Attachments: Proposed Budget Committee Charter, Resolution 2024-R-5 Establishing a Budget Committee

FY 25 Budget Process, Rough Outline – Spring 2024

Over the course of 4 meetings (March through June) Town Staff will provide information that informs the drafting of the FY25 budget. Town Staff will also include specific updates on the wage study, general fund projects, capital improvement projects, and contracts. Each of these categories are significant components of the budgets and are worthy of focused discussion.

The council must adopt a tentative budget in the May meeting. In June, the council must pass a final FY25 budget, unless the council decides to proceed with truth in taxation to raise the property tax rate. The council must also pass final amended FY24 budgets in the June meeting.

Town of Alta Budget Committee

For many years, the Town of Alta budget process has included a committee of three councilmembers known as the Budget Committee. Below are some basic characteristics of the Town of Alta Budget Committee of the past:

- Mayor and two councilmembers
- Mayor chooses councilmembers to serve
- In the past, not formally convened
 - No organizing or governing document such as a charter, bylaws, ordinance, or resolution
 - No formal appointment of members
 - No formal authority
 - Committee followed OPMA by meeting publicly, noticing meetings, making recommendations, and recording minutes

The general purpose of the committee has been to review iterations of annual budgets and recommend a tentative budget to the mayor and council.

Budget Committee Charter

We have prepared a proposed budget committee charter for the Council's consideration. Here are some key details:

- The town manager appoints committee members with advice and consent of the town council
 - Appointment authority is delegated from the mayor to the manager under Town Code 1-15-2(A)(4)
- The committee would consist of between 3 and 5 members
 - Having more than three members could allow members to miss meetings while still retaining a quorum
- At least two members are councilmembers
 - Councilmembers have expressed reluctance to serve on the committee due to the time commitment. Allowing non-elected Alta residents or property owners to serve on the committee could reduce the need for three councilmembers to serve
 - However, staff recommends at least two and ideally three councilmembers serve on the committee. The council must ultimately approve annual budgets and councilmembers will need to spend time reviewing budget documents during each year's budget process in one setting or another. Having a quorum of the town council serve on the committee increases the likelihood that committee recommendations are adopted by the council.
- Purpose is similar to what it has been in previous years:
 - *The purpose of the Budget Committee is to assist the Budget Officer, Town Manager, and staff in the preparation, review, and recommendation of an annual budget to the Mayor and Town Council. The committee is encouraged to learn and understand the financial needs and priorities of the Town Council in order to recommend longer range financial planning through the Capital Projects Plan. The committee shall make recommendations to ensure fiscal responsibility, transparency, and clarity of budget and financial planning documentation for the benefit of the community.*

Budget Committee or Not?

Over the past couple of years, staff and councilmembers have considered changing or formalizing the purpose and composition of the budget committee. The possibility of dissolving the budget committee has also been discussed. Whether or not a budget committee exists, staff needs input from councilmembers on the development of annual budgets. Below are three options for the council to provide that input:

Option 1: Formally create a Budget Committee with a Charter

Pros: Creates a forum specifically dedicated to reviewing drafts of annual budgets, other financial documents, and other aspects of the Town of Alta budget process. Members develop awareness and expertise to aid efficient and effective budget development and review process. Relieves non-committee members of obligation to prepare for and attend more meetings.

Cons: Creates additional burden to prepare for and attend meetings for committee members.

Option 2: Do not create a Budget Committee. Review draft budgets in town council work sessions during months prior to tentative budget adoption in May of each year or as needed to consider amendments.

Pros: Slight reduction in staff time to administer an official Town of Alta public body. No need to recruit and educate resident committee members.

Cons: Similar burden to council members to review materials

Option 3: Review Tentative Budget during town council regular meetings.

Pros: No additional meetings for committee members, no additional administrative burden for staff.

Cons: Significantly reduces town council capacity to conduct other business

Recommendation:

Staff recommends the council adopt Resolution 2024-R-5 Establishing a Budget Committee Charter