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**131.1 SUBJECT: BUDGETARY CHANGES – PROCEDURE**

:1 OBJECTIVE:

To formally structure the procedures associated with changes requested to items incorporated in the annual budget, including appropriations and staffing authority; to establish categories of appropriation and staffing requests; to define levels of final approval responsibilities for these requests; and to provide operational guidance as to the process for submitting such requests.

:2 AUTHORITY:

This procedure amended by City Council September 6, 2017, Item A-1.

:3 DIRECTION:

Chief Administrative Officer, as an appointed official, serves at the pleasure of, and receives direction from the Mayor.

:4 FUNCTIONS:

A. Definitions

1. Budget Review Committee (BRC) – Committee established and chaired by the Chief Administrative Officer (CAO) for the purpose of maintaining centralized control and oversight of changes to the budget after adoption.

The BRC consists of four (4) permanently assigned voting members, one (1) additional voting member as designated by the Mayor, and non-voting technical advisors. Members and advisors may appoint a designee to act on their behalf, through written notification of the chair before the meeting(s) such designation applies to.

Voting Members:

- Chief Administrative Officer
- Chief Financial Officer
- Chief of Staff
- City Attorney
- One member appointed by the Mayor

Technical Advisors:

- Budget Division Manager
- Others, as requested by the BRC

2. Budget Amendment – After adoption of the annual budget, any change to appropriations which reflects either of the following characteristics shall be considered a Budget Amendment:
  - a) An increase or decrease to the total appropriations of a fund.
  - b) An increase or decrease to the total appropriations of a department, project, or grant, except in the case of Project/Grant Closeout.

3. Budget Revision – After adoption of the annual budget, any change to appropriations which does not alter the total appropriations of a fund, department, project, or grant shall be considered a Budget Revision, unless otherwise classified.
4. Project/Grant Closeout – Changes to the budget which transfer remaining appropriations from a closed or completed project or grant to Fund Contingency within the same fund. This does not incorporate the repurposing of said funds.
5. Position Amendment – After adoption of the annual budget, any change to staffing which alters the authorized position count of a fund or department shall be considered a Position Amendment. This encompasses the creation or deletion of a position when not done as part of an approved Position Revision, as well as position transfers crossing funds or departments.
6. Position Revision – After adoption of the annual budget, any change to staffing which does not alter the authorized position count of a fund or department shall be considered a Position Revision. This encompasses simultaneously adding and dropping a position in the same fund and department, as well as reclassifying existing positions. Specific classification decisions are subject to HR review and revision.
7. Fund Contingency – Budgeted appropriation authority in a fund that is not designated for any specific use, and not allocated to a specific project or grant.
8. Notes on organizational hierarchies – In the context of changes to items incorporated in the annual budget, city departments shall be defined as represented in the respective annual budget resolution.

B. Scopes of Authority

After implementation of the annual budget, all requests to change items incorporated in the annual budget, including appropriations and staffing authority, must be submitted to Management and Budget for appropriate routing and approvals. All requests for action must be routed according to the following hierarchy, with final approval authority being delineated as follows:

1. The Budget Division Manager has final approval responsibility for the following:
  - a) Any Budget Revision, except those which transfer appropriations from Fund Contingency.
  - b) All appropriation transfers made as part of Project/Grant Closeout.
2. The Budget Review Committee has final approval responsibility for the following:
  - a) Any Budget Revision which transfers appropriations from Fund Contingency.
  - b) All Position Revisions
3. The City Council has final approval responsibility for the following:
  - a) All Budget Amendments

- b) All Position Amendments
- c) Any other items as required by the City Code.

C. General Budget Review Committee Procedures

1. Committee meetings will be held as necessary to address pertinent business, with the Budget Division Manager scheduling meetings in concurrence with the CAO as Chair of the BRC.
2. The Budget Division Manager will establish submission deadlines for requests for action by the BRC, and may approve exceptions to the deadlines as necessary.
3. The Budget Division Manager shall prepare each meeting agenda and establish any criteria for adding requests for BRC action to the agenda. This criteria is to be developed with the guidance of the CAO and CFO. A reference number will be assigned to agenda items going forward for consideration by BRC.
4. The appeal process for requests denied by the BRC is reconsideration by BRC, only upon the specific approval of the CAO, and meeting the criteria for standard BRC requests.
5. Following adjournment of a BRC meeting, Management and Budget shall prepare meeting minutes, and once completed, submit them for placement on the next available City Council meeting agenda.
6. Council approval of BRC minutes shall constitute final approval of any BRC items requiring City Council approval. BRC items requiring City Council approval will be accompanied by a resolution, if required by Section 2.69 of the City Code, as supporting material to the respective BRC meeting minutes.

:5 FORMS:

None.

:6 COMMITTEE RESPONSIBILITIES:

None.

:7 REFERENCE:

Procedure adopted by City Council May 23, 1983, Item 36(J); amended June 4, 1984, Item 12A-8; amended July 23, 1984, Item 17A-3; amended November 10, 1986, Item 18A-29; amended June 6, 1988, Item 15A-13; amended October 30, 1989, Item 22A-2; amended September 17, 1990, Item CA38; amended April 19, 1993, Item VV; amended November 1, 1993, Item 2 MM; amended December 16, 1996, Item 7-PP; amended July 14, 1997, Item 7B; amended January 24, 2000, Item 4LL; amended September 15, 2003, Item A5; re-formatted April 2004; amended September 6, 2017, Item A-1.

:8 EFFECTIVE DATE:

This procedure is effective October 1, 2017.