



## AGENDA ITEM ANALYSIS

Project/Issue Name: 23-68 An Ordinance of the City Council Proposing an Amendment to the City Charter to Include Capital Planning in the Annual Budget Process; Calling an Election to be Held on April 2, 2024 on the Proposed Amendment; Authorizing and Directing the City Clerk to Give Notice to the County Clerk of Said Election, and Providing for Enactment of the Proposed Amendment if Approved.

Submitted By: Laura Burbridge, City Clerk  
Megan McCullough, City Attorney

Date: December 12, 2023

### Issue Statement

To call an election proposing a charter amendment to the voters of Republic.

### Discussion and/or Analysis

**QUESTION 5: Shall the Charter of the City of Republic, Section 7.6, be repealed and a new subsection 7.3(f) be added to make capital planning part of the annual budget?**

This question would remove the requirement to provide a Capital Improvement Plan to be approved by Council annually via Resolution and instead, add it to the annual budget process for large projects. Currently, this plan is time-consuming for staff with little to no fruit gained in the process. The proposed change would allow for funding planning for the larger projects in addition to the regular planning of projected project timelines. The specific requirements for what would be included can be specified in the Financial Policies of the city, which may be amended by Ordinance as needed to properly meet the planning needs of the city. **The Charter currently reads:**

#### 7.6 Council Action On Capital Program

1. *Submission To Council.* The City Administrator shall prepare and submit to the Mayor and Council a five year capital program prior to the final date for submission of the budget. The Council by resolution shall adopt the capital program with or without amendment on or before the last day of the month of the current fiscal year.
2. *Contents.* The capital program shall include:
  1. A clear general summary of its contents.
  2. A list of all capital improvements that are proposed to be undertaken during the five fiscal years next ensuing, with appropriate supporting information as to the necessity for such improvements.
  3. Cost estimates, method of financing and recommended time schedules for each such improvement.
  4. The estimated annual cost of operating and maintaining the facilities to be constructed or acquired.



- This was intended to serve as a guide for planning; however, much of the plan isn't followed and such planning should be part of the annual budget process and not an additional plan.
- This requires a lot of staff time, which does not produce a ROI worth the time investment.
- Capital Improvement Committee was dissolved in 2019 after staff and committee members identified a lack of value in the process.

**The proposed changes are as follows:**

**7.3 Budget**

The budget shall provide a complete financial plan of all City funds and activities for the ensuing fiscal year and, except as required by law or this Charter, shall be in such form as the City Administrator deems desirable or the Council may require. In no event shall the total proposed expenditures exceed the estimated revenues to be received plus any unencumbered cash reserves estimated to be on hand at the beginning of the budget year.

The annual budget shall present a complete financial plan for the ensuing fiscal year and shall include at least the following information:

- (a) A budget message describing the important features of the budget and major changes from the preceding year;
- (b) Estimated revenues to be received from all sources for the budget year, with a comparative statement of actual or estimated revenues for the two years next preceding, itemized by year, fund and source; [Ord. No. 18-49, 1-8-2019]
- (c) Proposed expenditures for each department, office, commission and other classification of the budget year, together with a comparative statement of actual or estimated expenditures for the two years next proceeding, itemized by year, fund, activity and object; [Ord. No. 18-49, 1-8-2019]
- (d) The amount required for the payment of interest, amortization and redemption charges on the debt of the City; and
- (e) A general budget summary.
- (f) **A 5-year Capital outlook of planned or projected large projects.**

**7.6 Council Action On Capital Program**

- ~~3.—*Submission To Council.* The City Administrator shall prepare and submit to the Mayor and Council a five year capital program prior to the final date for submission of the budget. The Council by resolution shall adopt the capital program with or without amendment on or before the last day of the month of the current fiscal year.~~
- ~~4.—*Contents.* The capital program shall include:~~
  - ~~1.—A clear general summary of its contents.~~
  - ~~2.—A list of all capital improvements that are proposed to be undertaken during the five fiscal years next ensuing, with appropriate supporting information as to the necessity for such improvements.~~
  - ~~3.—Cost estimates, method of financing and recommended time schedules for each such improvement.~~
  - ~~4.—The estimated annual cost of operating and maintaining the facilities to be constructed or acquired.~~

**Recommended Action**

Staff recommends approval.