

## CHARTER SECTION ON FINANCE

**Referral from the Commission:** Whether the Charter should address additional financial management matters.

**Action:** Include a “Financial Management” section in the Santa Fe Charter.

**Recommendation:** add the following:

### FINANCIAL MANAGEMENT – Section \_\_\_\_

#### **Section \_\_\_\_ Submission of Budget and Budget Message.**

The city manager shall submit to the city council, a budget for the ensuing fiscal year and an accompanying message.

#### **Section \_\_\_\_ Budget Message.**

Consistent with the form required in NM law, the city manager’s message shall explain the budget both in fiscal terms and in terms of the work programs, linking those programs to organizational goals and community priorities. It shall outline the proposed financial policies of the city for the ensuing fiscal year and the impact of those policies on future years. It shall describe the important features of the budget, indicate any major changes from the current year in financial policies, expenditures, and revenues together with the reasons for such changes, summarize the city’s debt position, including factors affecting the ability to raise resources through debt issues, and include such other material as the city manager deems desirable. The council shall provide in ordinance the budget summaries that will facilitate its work.

#### **Section \_\_\_\_ Budget.**

The budget shall provide a 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 manager deems desirable or the city council may require for effective management and an understanding of the relationship between the budget and the city’s strategic goals. The budget shall begin with a clear general summary of its contents; shall show in detail all estimated income, indicating the anticipated tax revenues, and all proposed expenditures, including debt service, for the ensuing fiscal year; and shall be so arranged as to show comparative figures for actual and estimated income and expenditures of the current fiscal

year and actual income and expenditures of the preceding fiscal year. It shall indicate in separate sections:

(1) The proposed goals and expenditures for current operations during the ensuing fiscal year, detailed for each fund by department or by other organization unit, and program, purpose or activity, method of financing such expenditures, and methods to measure outcomes and performance related to the goals;

(2) Proposed longer-term goals and capital expenditures during the ensuing fiscal year, detailed for each fund by department or by other organization unit when practical, the proposed method of financing each such capital expenditure, and methods to measure outcomes and performance related to the goals; and

(3) The proposed goals, anticipated income and expense, profit and loss for the ensuing year for each utility or other enterprise fund or internal service fund operated by the city, and methods to measure outcomes and performance related to the goals. For any fund, the total of proposed expenditures shall not exceed the total of appropriated funds.

**Section \_\_\_\_ . City Council Action on Budget.**

(a) **Notice and Hearing.** The city manager shall publish the general summary of the budget and a notice stating:

(1) The times and places where copies of the message and budget are available for inspection by the public, and

(2) The time and place, not less than two weeks after such publication, for a public hearing(s) on the budget.

(b) **Amendment Before Adoption.** After the public hearing, the city council may adopt the budget with or without amendment. In amending the budget, it may add or increase programs or amounts and may delete or decrease any programs or amounts, except expenditures required by law or for debt service or for an estimated cash deficit, provided that no amendment to the budget shall increase the authorized expenditures to an amount greater than total estimated income.

(c) **Adoption.** The city council shall adopt the budget on or before the city's budget is due to the state. If it fails to adopt the budget by this date, the budget proposed by the city manager shall go into effect.

(d) **"Publish" defined.** As used in this article, the term "publish" means to print in the- form of publication recognized in NM law for government

entities, plus any electronic media that the council deems accessible to the public.

**Section \_\_\_\_ . Administration and Fiduciary Oversight of the Budget.**

The governing body shall provide by ordinance the procedures for administration and fiduciary oversight of the budget.

**Section \_\_\_\_ . City Council Action on Capital Program.**

**(a) Notice and Hearing.** The city manager shall publish the general summary of the capital program consistent with the requirements in NM law for public notice.

- (1) The times and places where copies of the general summary of the capital program are available for inspection by the public, and
- (2) The time and place, not less than two weeks after such publication, for a public hearing(s) on the general summary of the capital program.

**(b) Adoption.** The city council by resolution shall adopt the capital program with or without amendment after the public hearing and before the capital program is due to the state.

**Section \_\_\_\_ Independent Audit.**

The city council shall provide for an independent annual audit of all city accounts and may provide for more frequent audits as it deems necessary. The council shall by ordinance update its financial processes and accounting systems, and prioritize budgetary resources to staff its financial services so as to facilitate timely completion of audits.

**Section \_\_ Additional provisions**

**Investments**

The city shall follow the laws and policies of the State of New Mexico regarding investment of public funds.

**Procurement**

The governing body shall, by ordinance, adopt a fair and equitable procurement code for the city.

**Independent audit committee**

The governing body shall, by ordinance, adopt an independent audit committee for the city.