



# **CITY COUNCIL AGENDA REPORT**

MEETING DATE: October 3, 2006

ITEM NUMBER: VIII-1

**SUBJECT:** ADOPTION OF THE ANNUAL BUDGET

**DATE:** SEPTEMBER 20, 2006

**FROM:** KIMBERLY HALL BARLOW

**PRESENTATION BY:** KIMBERLY HALL BARLOW, CITY ATTORNEY

**FOR FURTHER INFORMATION CONTACT:** KIMBERLY HALL BARLOW, 714-754-5399

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## **RECOMMENDATION:**

Give second reading and adopt the attached Ordinance Amending Chapter II of Title 2 relating to the adoption of the annual budget.

## **BACKGROUND:**

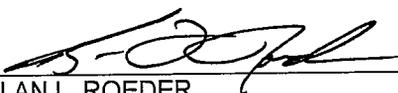
The Costa Mesa Municipal Code does not currently require that City Council adopt the annual budget or appropriate funds for expenditures by any specific date. At its regular meeting on September 19, 2006, City Council gave first reading to the proposed ordinance.

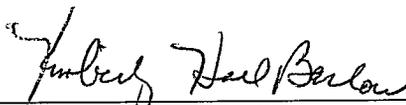
## **ANALYSIS:**

In the event the City's annual budget is not adopted prior to the start of the new fiscal year, appropriations for expenditures cannot be made except by emergency legislation. Nonpayment to the City's creditors and employees would create hardship to those affected. Adopting a code requirement for adopting a budget by a date and time certain also would allow the City to ensure that conflicted participants may participate, if necessary, to pass a budget and/or that appropriate methods for resolving an impasse may be implemented to ensure that the budget is adopted in a timely manner. The ordinance, requiring timely adoption of the budget is before you for second reading and adoption.

## **CONCLUSION:**

The proposed amendment to the Costa Mesa Municipal Code is intended to address fiscal concerns and encourage timely adoption of the annual budget. The City Attorney recommends that City Council give second reading to and adopt the Ordinance.

  
\_\_\_\_\_  
ALLAN L. ROEDER  
City Manager

  
\_\_\_\_\_  
KIMBERLY HALL BARLOW  
City Attorney

DISTRIBUTION: City Manager

ATTACHMENTS: 1 Ordinance

File Name

Date

Time

**ORDINANCE NO. 06-21**

**AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF COSTA MESA AMENDING CHAPTER II OF TITLE 2 OF THE COSTA MESA MUNICIPAL CODE RELATING TO ADOPTION OF THE ANNUAL BUDGET**

**WHEREAS**, the City Manager is charged with the duty to prepare and submit the annual budget to the City Council; and

**WHEREAS**, it is also the duty of the City Manager to administer the annual budget after its adoption; and

**WHEREAS**, there is no provision in the Costa Mesa Municipal Code which obligates the City Council to adopt an annual budget by a prescribed date and time; and

**WHEREAS**, if, prior to the beginning of the next fiscal year, the budget has not been adopted and funds appropriated for expenditures, the City will be unable to pay its debts and employee salaries.

**NOW, THEREFORE**, THE CITY COUNCIL OF THE CITY OF COSTA MESA DOES HEREBY ORDAIN AS FOLLOWS:

**Section 1.** Chapter II of Title 2 of the Costa Mesa Municipal Code is hereby amended by adding section 2-86 to read as follows:

**Chapter II**

**Sec. 2-86 Adoption of budget.**

The City Council shall adopt the annual budget by midnight on June 30 of each year. Until the budget has been adopted, the City Council shall not appropriate any funds for expenditure during the fiscal year for which the budget is to be enacted.

**Section 2.** Any provision of the Costa Mesa Municipal Code or appendices thereto inconsistent with the provisions of this Ordinance, to the extent of such inconsistencies and no further, is hereby repealed or modified to that extent necessary to effect the provisions of this Ordinance.

**Section 3.** If any section, subsection, sentence, clause, phrase or portion of this ordinance is for any reason held to be invalid or unconstitutional by the decision of any court of competent jurisdiction, such decision shall not affect the validity of the remaining portions of this Ordinance. The City Council of the City of Costa Mesa

hereby declares that it would have adopted this Ordinance and each section, subsection, sentence, clause, phrase, or portion thereof, irrespective of the fact that any one or more sections, subsections, sentences, clauses, phrases or portions be declared invalid or unconstitutional.

**Section 4.** The Mayor shall sign and the City Clerk shall certify to the passage and adoption of this Ordinance and shall cause the same to be published and posted pursuant to the provisions of law in that regard and this Ordinance shall take effect 30 days after its final passage.

PASSED AND ADOPTED this \_\_\_\_ day of \_\_\_\_\_, 2006.

\_\_\_\_\_  
Mayor

APPROVED AS TO FORM:

\_\_\_\_\_  
City Attorney

ATTEST:

\_\_\_\_\_  
City Clerk of the City of Costa Mesa

STATE OF CALIFORNIA)  
COUNTY OF ORANGE ) ss  
CITY OF COSTA MESA )

I, JULIE FOLCIK, City Clerk and ex-officio clerk of the City Council of the City of Costa Mesa, hereby certify that the above and foregoing Ordinance No. 06-\_\_ was introduced and considered section by section at a regular meeting of said City Council held on the \_\_\_\_th day of \_\_\_\_\_, 2006, and thereafter passed and adopted as a whole at a regular meeting of said City Council held on the \_\_\_\_ day of \_\_\_\_\_, 2006, by the following roll call vote:

AYES: COUNCIL MEMBERS:

NOES: COUNCIL MEMBERS:

ABSENT: COUNCIL MEMBERS:

IN WITNESS WHEREOF, I have hereunto set my hand and affixed the Seal of the City of Costa Mesa this \_\_\_\_ day of \_\_\_\_\_, 2006.

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City Clerk and ex-officio  
Clerk of the City Council of the  
City of Costa Mesa