



General Financial Principles

- A. **Financial Principles are underlying fundamental truths that help people determine the appropriate decisions regarding economic resources.** These proposed Financial Principles provide guidelines of what to do. Fiscal policies, based on Financial Principles, provide guidelines for how to attain the goals outlined in the Financial Principles. The City will strive to attain the goals established by the City Council using Fiscal Policies implemented with Financial Principles as the basis for the policies.
- B. **A well developed set of Financial Principles will assist with communicating successfully with individual audiences, such as:**
- City Council members;
 - City Management staff;
 - City Line staff;
 - Community Groups;
 - Civic Groups;
 - Youth Groups;
 - Senior Groups;
 - Labor Organizations; and
 - Other governmental agencies.
- C. **Financial Principles have beneficial attributes including:**
- Easy to understand language;
 - The message is common to many different groups;
 - Provide for consistent message regardless of the audience;
 - Support for recommendations made to the City Council; and
 - Provides a link between policies and priorities.
- D. **The following Financial Principles will be considered and used in establishing Fiscal Policies of the City of Lompoc.**
1. Critical services should be maintained to the greatest extent possible.
 2. Resources should be allocated to the highest priority services.
 3. No city services or functions should be exempt from evaluation.
 4. "Across the board" approaches shall be avoided, because they are not aligned with the Council's and community's priorities.
 5. Reductions in service should position the City to take advantage of economic recovery.
 6. Budget cuts should be ongoing and not simply "one time only."

General Financial Principles

7. Council should commit to support employees during the transition, and assist those who may be adversely impacted.
8. Employees and their recognized bargaining units should be actively involved in developing options and implementing the transition.
9. The City should continue to invest in building organizational capacity by supporting training and employee development.
10. Community-wide tax resources should be allocated first to support community-wide services.
11. Special services designed for only a few should be paid for by user charges and fees.
12. Administrative and operational efficiencies should be maximized before pursuing new tax revenue.
13. Reserves and one-time revenues should be used first to invest in capital outlay items that could reduce long-range operating costs, and thereafter, fund transition expenses.
14. New services should not be added nor existing services expanded, unless they are highly valued by the community and there is a willingness to pay for them.
15. There should be regular monitoring of financial performance and opportunities to make midcourse corrections as warranted.
16. City policies that may inhibit economic development should be reviewed regularly and modified.