### CITY OF REDDING, CALIFORNIA
#### Council Policy

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**Background**

This policy will allow departments to retain one-half of any budgeted amounts saved if they can demonstrate that the savings resulted from their efforts. One-half of the budget savings can be used to fund some of the department's unmet needs in the current year or can be carried forward and used in a subsequent fiscal year. The budget savings can only be used if the City Manager determines that the savings resulted from action taken by the department. This policy will provide an incentive for departments to save money and will encourage employees to be creative and efficient.

**Purpose**

The purpose of this policy is to authorize the City Manager to amend the budget to reflect one-half of any budget savings where the savings can be attributed to action taken by a department.

**Policy**

It is the policy of the City Council of the City of Redding to authorize the City Manager to amend the budget to provide for the benefit of a department one-half of the budget savings resulting from actions taken by such department. The department must demonstrate to the City Manager that the savings resulted from efforts made by the department. The City Manager shall determine if the actions taken by the department resulted in City expenditures being less than the amount budgeted. The City Manager shall also determine which unmet needs the savings can be applied toward. If the budget savings referenced above are needed to fulfill other financial obligations, the City Manager may elect not to allow departments to utilize the savings to fund unmet needs.

**Procedure**

Budget amendments such as those described above shall be approved in the same manner as appropriation transfer requests (reference Council Policy 401).