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STEVEN M. FULOP
MAYOR

E.O. 2019-005

May 23, 2019

EXECUTIVE ORDER OF THE MAYOR OF THE CITY OF JERSEY CITY

IMPLEMENTING A FISCAL OVERSIGHT AND MANAGEMENT PROTOCOL

Pursuant to the authority vested in the Mayor of the City of Jersey City by law, I hereby issue the following Executive Order:

WHEREAS, prudent fiscal oversight and management is essential for the City's financial stability, economic growth and vitality, and ability to provide high quality services to residents and visitors; and

WHEREAS, assuring prudent fiscal oversight and management requires establishing clear goals and priorities to govern the budgeting process, long-term revenue and expenditure forecasting, a realistic debt management plan, effective oversight, and sufficient transparency and accountability measures.

THEREFORE, under the authority vested in me as Mayor of the City of Jersey City, I hereby issue this Executive Order implementing a Fiscal Oversight and Management Protocol, which shall dictate how the City's financial management policies and practices should be governed:

I. FINANCIAL FORECASTING AND FISCAL PLANNING

The City will employ the following fiscal planning initiatives to ensure fiscal stability over time:

- 1) Create annual three-year Financial Forecast and Fiscal Plans which will project revenue and expenditure growth, debt service, and future borrowing needs. This three-year fiscal plan will be updated annually after the budget is adopted. It will be calculated conservatively and will include revenue cushions to allow for unforeseen economic forces and/or future emergencies. It will also analyze property tax revenue projections in the context of the current local real estate market and the anticipated collection rate.
- 2) Commit to identifying and pursuing new recurring revenues to balance the budget rather than relying on one-time revenue streams.

- 3) Structure all one-time revenues and appropriations over a period of at least 3 years, but no more than 5 years, instead of within a single year.
- 4) Maintain a fund balance of at least 12% of the total budget.
- 5) Aim to reach a fund balance of 18% of the total budget by 2022.

II. DEBT MANAGEMENT AND CAPITAL PLANNING

The City will develop and continually update a six-year Capital Plan to be prepared annually along with the budget. The Capital Plan will identify each anticipated capital project, the estimated costs associated with each project, the expected funding source (i.e. debt issuance, capital improvement fund, or budget appropriation), and the amount of each yearly payment.

In addition, the City will seek to continue to maintain a net debt level of no more than 2.1% of equalized valuation, which is 40% below the statutorily required level of 3.5% of equalized valuation.

III. BUDGET PREPARATION AND OVERSIGHT

The Chief Financial Officer (CFO), under the direction of the Business Administrator, will be responsible for preparing the budget and for presenting the Municipal Council with quarterly budget status reports covering each City Department.

In addition, I hereby create a Budget Oversight Committee to assist the CFO and the Business Administrator discharge their duties.

A. Powers and Duties of the Budget Oversight Committee

The duties of the Budget Oversight Committee shall include:

1. Developing recommendations for legislative programs and executive actions to increase revenue and reduce expenditures.
2. Establishing policies and procedures to govern the Committee's operation and actions.

B. Membership, Terms and Removal

The Budget Oversight Committee shall consist of:

1. Five (5) members, appointed by the Mayor, including the CFO, who shall serve as Chairperson of the Committee.
2. The Business Administrator (or his or her designee), one (1) representative from the Mayor's Office, and two (2) members of the Municipal Council to be appointed by the Mayor.

3. All the members appointed shall serve for a term of two (2) years. Vacancies created by resignation or otherwise shall be filled by the Mayor for the completion of the remaining term.
4. All members of the Budget Oversight Committee, with the exception of the CFO and the Business Administrator, shall serve at the pleasure of the Mayor and can be removed from the Committee by the Mayor at any time.
6. The Board shall meet at least twice annually at a time fixed by the Chairperson. The Chairperson may call special meetings.

C. Clerical and Technical Assistance

For the purposes of effectuating the goals of this Executive Order, the Chairperson shall be able to use his or her staff and resources to provide for the clerical and technical needs of the Committee.

D. Cooperation with City Departments and Agencies

All City departments and agencies shall cooperate with the work of the Committee to the degree possible and permitted by law.

IV. TRANSPARENCY AND ACCOUNTABILITY

In an effort to promote greater transparency and accountability, the City will perform the following activities:

- Introduce, adopt, and disseminate the annual budget in a timely manner.
- Clearly state financial management policies and fiscal goals for the current year.
- Utilize the services of an auditor and disseminate an annual audit in a timely manner.
- Prepare and disseminate Annual Financial Statements and Annual Debt Statements in a timely manner.
- Implement and maintain technology tools to allow the budget to be viewed electronically and in its entirety through a user friendly, web based portal.

This Executive Order shall be kept on file in the Offices of the City Clerk and Business Administrator and will be made available upon request. It shall also be posted on the City's website.

This Order shall take effect as set forth herein and supersedes all inconsistent Executive Orders.

Very truly yours,



STEVEN M. FULOP
MAYOR

cc: Robert Byrne, City Clerk
Brian Platt, Business Administrator
Peter Baker, Corporation Counsel
All Department Directors