



Financial Policies - DRAFT

April 11, 2024

Purpose/Scope

- Work to ensure clear communication between Council/Community/Staff
- Intended Outcomes - Budgeting Overview
- Revenue Management - Expenditure Control
- Fund Balance Limits - Debt - Grants
- Intergovernmental Partnerships
- Fiscal Monitoring – Consultants
- Auditing
- Capital Budgeting

Intended Outcomes

- General Definitions Provided with Expanded Explanations
- User-Based (Demand Driven) Fees & Service Charges
- Solid Waste (Trash) – is a pass-thru; full cost
- General & Administrative Charges
- Fund Balance/Retained Earnings

OPERATING BUDGET

- Budget prepared with department heads
- Conservative approach to revenue estimates
- Oversight of expenditures
- Analysis and projections
- Property Tax Reduction – Sales Tax
- Base Budget
- Service Level Adjustments (SLA'S)
- Council Review
- Legal Filing Requirements

MONITORING/REVENUE/EXPENDITURES

MONITORING

- Outlines responsibility of Staff team
- Emergency Expenditure Levels (Direction Needed)

REVENUE MANAGEMENT

- Outlines main revenue sources for city

EXPENDITURE CONTROL

- Explanation - Definitions
- Compensation Plan (Direction Needed)

FUND BALANCE / DEBT MGMT

FUND BALANCE

- Overview of funds and importance
- Undesignated Fund Balance (Days in Reserve – Need Council Direction)
- Use of Fund Balance

DEBT MANAGEMENT

- Should be reviewed with multi-year capital improvement plan
- Discusses types of bonds – use of leases
- Refunding Opportunities (Need Council Direction)

GRANTS/FISCAL MONITORING – CONSULTANTS

GRANTS

- Gives direction to pursue (where applicable)
- Review for cash matching requirements
- Analyze for creation on on-going funding obligations

FISCAL MONITORING – CONSULTANTS

- Adds quarterly financial reports to Council
- Specifies the option to use consultants

AUDITING / CAPITAL BUDGETING

AUDITING

- Restates need for annual audit
- Auditing firm reports to Council

CAPITAL BUDGETING / ASSET MANAGEMENT

- Specifies need for Capital Improvement Plan (CIP) and analysis
- Discusses importance of planning for capital replacement
- Fixed assets management
- Capitalization amount = \$5,000