Chapter 3.05 Budget

Sections:

3.05.005 Budget assumptions.
3.05.010 Budget submission; contents.
3.05.011 City Manager's budget message.
3.05.012 Complete financial plan.
3.05.015 Review; hearing; adoption; appropriations.
3.05.020 Amendments.
3.05.025 System of accounts.
3.05.030 Unencumbered balances of appropriations; transfers.
3.05.035 Lapse of appropriation at end of year.
3.05.040 Equipment replacement reserve fund.
3.05.042 Alternative Funding for Depreciation.
3.05.043 Health Insurance Reserve Fund.
3.05.045 Balanced budget requirements.

3.05.005 Budget Assumptions. By the third Friday in September the City Manager shall present to the Council an overview of preliminary budget assumptions. These preliminary assumptions will address by fund, revenue projections, tax and utility rates, program additions ordeletions, wages and benefits, or other issues with potential impact on the City's overall financial condition. (Ord. 93-14 Section 2, 1993)

3.05.010 Budget submission; contents. By the third Friday in October the City Manager shall present to the Council a budget proposal for the next fiscal year of the City. (Ord. 93-14 Section 2, 1993)

3.05.011 City Manager's budget message. The City Manager's budget message shall explain the budget in fiscal terms and in terms of work programs. It shall contain an outline of the proposed financial policies of the City for the ensuing fiscal year, describe the important features of the budget, indicate any major changes from the current year and from current financial policies, expenditures, and revenues, together with the reasons for such changes, summarize the City's debt position and include other material as deemed desirable. (Ord. 93-14 Section 2, 1993)

3.05.012 Complete financial plan. a. The budget shall provide a complete financial plan of all City funds and activities for the next fiscal year. In organizing the budget, the City Manager shall utilize the most feasible combination of expenditure classification by fund, organizational unit, program, purpose or activity and object.
b. The budget shall begin with a clear general summary of its contents, which summary shall show principal sources of anticipated revenue, stating separately the amount to be raised by property taxes, and by department the kinds of expenditures in such a manner as to present to the public a clear and simple estimate of budget detail.
c. The budget shall show in detail all estimated income, including the proposed property tax levy, and all proposed expenditures including debt service, for the ensuing fiscal year.
d. The budget shall be prepared on a modified accrual basis and subsequent reporting an auditing shall reflect this basis of goods and services are received, and revenues are recorded when payment is received; except for material or available revenue which should be accrued to reflect properly the taxes levied and the revenues earned.
e. The budget shall include in separate sections:
(1) Proposed expenditures for current operations during the ensuing fiscal year detailed by offices, departments and agencies in terms of their respective work programs, and the method of financing such expenditures;
(2) Anticipated net surplus or deficit (fund balance) for the ensuing fiscal year of each enterprise fund owned or operated by the City and the proposed method of its disposition; subsidiary budgets for each such enterprise fund, giving detailed income and expenditures information, shall be presented in the budget.
(3) Proposed capital budget will be presented under a separate document. Expenditures during the ensuing fiscal year, detailed by offices, departments and agencies, when practicable, and the proposed method of financing each such capital expenditure.
f. Comparative data for the previous and current fiscal years shall be provided in a format for ease of comparison

with the proposed revenues and expenditures.
g. Data for the current fiscal year shall include the total of the amounts actually received or encumbered to the time of preparing the budget, plus anticipated receipts and expenditures for the remainder of the current year. (Ord. 93-14 Section 2, 1993)

3.05.015 Review; hearing; adoption; appropriations. a. The budget proposal of the City Manager shall be reviewed by the Council and shall be available for public inspection in the office of the City Clerk and the budget summary shall be posted in three public places and published at least once in one or more newspapers of general circulation in the City.
b. A public hearing on the appropriation ordinance shall be held in accordance with provisions for adoption of an ordinance. All interested parties shall be given an opportunity to be heard on matters relative to the budget.
c. At a Council meeting held not less than ten days prior to the end of the fiscal year, the Council shall, by ordinance, make appropriation of the money needed for the following year.
d. A separate appropriation shall be made to each of the various funds of the City. From the effective date of the budget, the amounts stated therein as proposed expenditures, shall be and become appropriated to the objects and purposes therein named. The City Council may make supplemental and emergency appropriations, but payment may not be authorized or made and an obligation may not be incurred except in accordance with approved appropriations.
(Ord. 98-20(A), 1998; Ord. 93-14 Section 2, 1993)

3.05.020 Amendments. The Council may, by ordinance, increase or decrease appropriations during the course of the fiscal year, and may also amend the budget using the same method used for its initial adoption. (Ord. 93-14 Section 2, 1993)

3.05.025 System of accounts. All City accounts shall be organized in a manner consistent with the approved budget. For purposes of appropriations under subsection 3.05.015, the funds of the City are those established by the Finance Director/Treasurer recommended by the City Manager and approved by the City Council. (Ord. 93-14 Section 2, 1993)

3.05.030 Unencumbered balances of appropriations; transfers. a. The necessary accounting records shall be maintained to reflect the unencumbered balances of all appropriations. In determining the unencumbered balances of appropriations, the estimated amounts of commitments for goods or services ordered but not paid for shall be taken into consideration, and the Finance Director/Treasurer shall submit to the City Manager a monthly report of all unencumbered balances.
b. Unencumbered appropriation balances may be transferred from one budget line item to another within the same department by the City Manager at any time. Transfer of appropriations within departments which would permanently amend the approved staffing level or level of service delivery shall require Council approval.
c. At the request of the City Manager, or on its own initiative, the Council may, by resolution, transfer unencumbered appropriation balances from one department to another within the same fund. (Ord. 93-14 Section 2, 1993)

3.05.035 Lapse of appropriation at end of year. a. Except as provided in this section and in section 3.05.040 and 3.05.043 of this code, appropriations shall lapse at the end of the fiscal year to the extent that they have not been fully expended or fully encumbered. (Ord. 93-14 Section 2, 1993)

b. An appropriation for a capital expenditure shall continue in force until the purpose for which it is made has been accomplished or abandoned; the purpose of such appropriation shall be deemed abandoned if three years pass without disbursement or encumbrance of the appropriation. (Ord. 93-14 2, 1993)

3.05.040 Equipment replacement reserve fund. a. There is established in each fund of the City an equipment replacement reserve fund. The amount of the equipment replacement reserve fund shall be based on the amount necessary to meet future equipment needs projected for all departments within each fund of the City.
b. Any earnings from investment of monies accumulated in the equipment replacement reserve fund shall accrue to the equipment reserve fund.
c. At year end, all unexpended and unencumbered appropriations from the reserve fund for equipment purchases shall be lapsed into that reserve fund.
d. Monies in the reserve fund for equipment replacement shall be available for appropriation and expenditure for equipment replacement, purchase or any other purpose as recommended by the City Manager and authorized by the City Council. (Ord. 93-14 Section 2, 1993)

3.05.042 Alternative Funding for Depreciation. a. There is established in the General Fund of the City an Alternate Funding for Depreciation. (Ord. 05-11(S) 2, 2005.) Clerk's Note: see 18.04, Disposition of Foreclosed Properties.

3.05.043 Health Insurance Reserve Fund. a. There is established in the general fund of the City a health insurance reserve fund. All health insurance claim rebates received shall be appropriated to and deposited in the health insurance reserve fund. The City Council may appropriate additional sums to the fund.
b. Any earnings from investment of monies accumulated in the health insurance reserve fund shall accrue to the health insurance reserve fund.
c. At the year end, all unexpended and unencumbered appropriations from the health insurance reserve fund shall be lapsed into that reserve fund.
d. Monies in the health insurance reserve fund shall be available for appropriation and expenditures for health insurance premium increases as recommended by the City Manager and authorized by the City Council. (Ord. 94-5 Section 1, 1994)

3.05.045 Balanced budget requirements. The budget which is adopted shall be balanced considering all sources of funds.
a. Any action to reconsider, rescind, or veto the budget which creates an "imbalance" shall be in violation of this section.
b. Any action to reconsider, rescind, or veto the budget which would affect a balanced budget must be accompanied by action which maintains a balanced budget. (Ord. 93-14 Section 2, 1993)

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