

City of Homer
Homer, Alaska

ORDINANCE 92- 13

AN ORDINANCE AMENDING TITLE 3 REVENUE AND FINANCE BY ADDING NEW CHAPTER 3.05 BUDGET AND CAPITAL IMPROVEMENT PROGRAM, AND REVISING TITLE 9, SECTION 9.04.040 ANNUAL TAX LEVY.

WHEREAS, the City of Homer does not have an ordinance establishing the manner by which the City adopts the annual budget and capital improvement program, and;

WHEREAS, the City Council desires to provide such an ordinance for the benefit of the public, itself, and the administration;

NOW THEREFORE, THE CITY OF HOMER ORDAINS:

Section 1. Title 3 Revenue and Finance be amended to add the following new Chapter:

Chapter 3.05

Budget and Capital Improvement Program

Sections:

- 3.05.010 Purpose
- 3.05.020 Definitions
- 3.05.030 Fiscal Year
- 3.05.040 Preparation and submission of budget
- 3.05.050 Budget message
- 3.05.060 Budget
- 3.05.070 Budget a public record
- 3.05.080 Adoption of the budget
- 3.05.090 Public Hearing
- 3.05.100 Council consideration of budget
- 3.05.110 Adoption of property tax resolution
- 3.05.120 Date of final adoption -- Failure to adopt
- 3.05.130 Effective date of budget -- Publication
- 3.05.140 Budget establishes appropriations
- 3.05.150 Budget modifications
- 3.05.160 Emergency appropriations

3.05.010 Purpose. The purpose of this chapter is to establish procedures for preparation, submission, and adoption of the municipal budget and capital improvement program.

*Pulled
02/10/92*

SEP 03 11:51 LEG. AFFAIRS - HOMER P.378

3.05.020 Definitions. Terms used in this chapter will be based upon standard definitions accepted by the Municipal Finance Officers Association.

3.05.030 Fiscal year. The fiscal year shall begin on the first day of January and shall end on the last day of December.

3.05.040 Preparation and submission of budget. a. The city manager shall submit to council for their approval the Assumptions on the Annual Budget, from which he will prepare the budget.

b. The city manager shall submit a budget and explanatory budget message to the city council, at least sixty days prior to the beginning of each fiscal year. Such submittal shall be presented to the city council for review during work session(s) prior to introduction of the ordinance and resolution for the budget.

c. The budget shall be based upon detailed estimates furnished by the departments of the municipality according to a classification as nearly uniform as possible.

d. The budget shall present information on recommended appropriations, anticipated expenditures, estimated taxes and other revenues required to support the budget.

3.05.050 Budget message. a. The City Manager's budget message to the city council shall be explanatory of the budget, shall contain an outline of the proposed financial policies for the fiscal year, shall describe the important features of the budget plan, shall set forth the reasons for important or significant changes from the current year in appropriation and revenue items, and shall explain any major changes in financial policy.

b. Capital Improvements. As part of the budget message, the city manager shall include a statement of pending capital projects and proposed new capital projects, relating the respective amounts proposed to be raised during the budget year by appropriations from: (1) estimated revenues for the budget year; (2) issuance of bonds; (3) state or federal grants; and (4) loans or other sources.

3.05.060 Budget. The budget shall provide a complete program and financial plan for all funds for the budget year. It shall contain:

a. Summary. At the front of the budget for each fund there shall appear a summary of the budget, in such a manner as to present to the public a clear and simple summary of the detailed estimates of the budget.

b. Anticipated revenues. Anticipated revenues shall include revenue from all sources, including grants and loans, and shall be classified in accordance with the chart of accounts of the city. The statement shall be presented on the basis of the ordinary and reasonable revenues which can be anticipated for the fiscal year.

c. Unencumbered fund balance. All appropriations which are not obligated, encumbered or expended at the end of the fiscal year shall lapse and shall become part of the unencumbered fund balance for that fund which may be appropriated for the next fiscal year.

The total fund balance amount for each fund shall be provided to the city council as a matter of information. The fund balance available for appropriation shall be limited to the amount by which liquid or current assets are estimated to exceed current liabilities at the beginning of the budget year. This estimate shall be reviewed as soon as practical after the end of the current fiscal year when the actual "fund balance" is determined, and, as appropriate and/or necessary, be revised during a budget revision process.

d. Proposed expenditures. The proposed expenditures shall be itemized and each item numbered in accordance with the classification systems of the city. Provision shall be included in the budget for:

1. Debt service on bonds outstanding;
2. Statutory or contractual expenditures which cannot be changed by the city council;
3. A current, year to date, operations budget for each department, service, function or activity;
4. Contingent operations expense in an amount not to exceed five percent of the total operations and maintenance budget for each fund; and
5. Expenditures proposed for capital projects, defined as expenditures in excess of \$5,000 or having a useful life in excess of 3 years.

e. Comparison with other years. 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. 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.

3.05.070 Budget a public record. The proposed budget and budget message and all supporting schedules shall be a public record in the office of the city clerk, open to public inspection by anyone. The city manager shall cause the proposed budget to be printed or otherwise reproduced and sufficient copies thereof made available for the use of all offices and departments and for the use of all interested persons.

3.05.080 Adoption of budget. The adoption of the budget shall be accomplished by the approval of an appropriation ordinance which specifies total anticipated revenues and appropriated expenditures for each fund covered by the budget. The appropriation ordinance shall incorporate the budget by reference.

3.05.090 Public Hearing. 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 relating to the budget.

SEP 03 01 11 32 LEG. AFFAIRS - HOMER P.1370

3.05.100 Council consideration of the budget. a. After the conclusion of such public hearing, the city council may insert new items. It may increase or decrease the items of the budget, as it so determines.

b. Where any increases are made in the total proposed expenditures, there shall also be made increases in the total anticipated revenue to at least equal such total proposed expenditures, so that the budget for the fiscal year is balanced.

c. Where any decreases are made in the total proposed revenues, there shall also be made decreases in the total proposed expenditures to at least equal such total proposed decrease in revenues, so that the budget for the fiscal year is balanced.

3.05.110 Adoption of property tax resolution. The city council shall determine and fix the rate of tax levy for the fiscal year by a resolution which shall be adopted at the same time as the appropriation ordinance.

3.05.120 Date of final adoption - failure to adopt. The budget should be finally adopted prior to December 31st of each year. Should the city council take no final action on or prior to the beginning of the next fiscal year, no expenditure may be made for any purpose except salaries until the budget ordinance has been finally adopted by the city council.

3.05.130 Effective date of budget - publication. Upon final adoption, the budget shall be in effect for the budget year. A copy of the budget, as finally adopted, shall be certified by the city clerk and filed in the office of the city clerk. The budget, so certified, shall be printed or otherwise reproduced, and sufficient copies thereof shall be made available for the use of all offices, departments and agencies, and for the use of any interested persons. A summary of the budget shall be published and made available for the general public.

3.05.140 Budget establishes appropriations. 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 appropriations.

3.05.150 Budget modification. a. Any increase in appropriation in a departmental budget or in a nondepartmental expense category, whether accomplished through a change in anticipated revenues or through a transfer of appropriations among departments and nondepartmental expenses, including the contingent operations expenses, shall require the approval of the city council in the form of an amendment to the budget ordinance.

b. The transfer of appropriations among the various accounts within a departmental budget or within a nondepartmental expense category shall only require the approval of the city manager, except that any transfer of appropriations within a departmental budget so as to change accounts pertaining to personal services shall require approval of the city council.

c. No appropriation transfer shall be made from a sinking fund or debt retirement fund until all legal obligations and requirements have been satisfied. Once all obligations have been satisfied, surplus funds, if any, shall be reported to the city council for appropriation.

Section 2. Section 9.04.040 of the municipal code is amended to read:

9.04.040 Annual tax levy. By June 15 of each year the City Council shall ~~establish, by resolution, the annual property tax levy rate and~~ notify the Kenai Peninsula Borough Assembly of said the rate which was established by resolution at the time of adoption of the appropriation ordinance for the fiscal year.

Section 3. This is a general ordinance of a permanent nature and the provisions of Sections 1 and 2 as contained herein shall be codified for inclusion in the Homer City Code.

ENACTED BY THE CITY COUNCIL OF THE CITY OF HOMER, ALASKA, THIS _____ day of _____, 1991.

CITY OF HOMER, ALASKA

Harry Gregoire, Mayor

AYES:
NOES:
ABSENT:
ABSTAIN:

ATTEST:
