

**CITY OF NORTH BONNEVILLE
RESOLUTION NO. 447**

**A RESOLUTION OF THE CITY OF NORTH BONNEVILLE, WASHINGTON,
ADOPTING BUDGET POLICIES.**

WHEREAS, the city council feels it is in the best interests of the city to develop a system of financial policies that will guide the city's employees in their daily duties; and

WHEREAS, in their 2009/2010 financial audit of the city, the State Auditor's office found the city's "internal controls are inadequate to ensure accurate accounting and reliable financial reporting" and they recommended the establishment of better internal controls; and

WHEREAS, failing to comply in a timely manner with the Auditor's findings may result in additional findings in the next audit; and

WHEREAS, the creation of budget policies will encourage a more thoughtful budgeting process and may thereby help ensure a more stable financial position; and

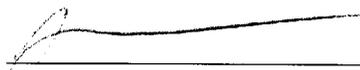
WHEREAS, the city council recognizes that these policies will likely require refinement over time;

NOW, THEREFORE, BE IT RESOLVED THAT the city council of the City of North Bonneville adopts the attached Budget policies.

PASSED IN REGULAR SESSION this 24th day of July, 2012



Mayor

ATTEST: 

Clerk / Treasurer

300 BUDGET POLICIES

301 Purpose

The budget is the central financial planning document that embodies all operating revenue and expenditure decisions. Through setting expenditure limits, it establishes the level of services to be provided by each department within the confines of anticipated municipal revenues.

302 Budget Development Policies

- A. At the beginning of the budget process, the Finance Committee will review and recommend any changes to the budget policies.
- B. The City Council will establish municipal service levels and priorities for the ensuing year prior to and during the development of the preliminary budget.
- C. The Mayor shall incorporate the Council's priorities in the formulation of the preliminary and final budget proposal.
- D. Adequate regular maintenance and reserves for replacement of the capitalized assets will be provided for in the budget if revenues are available.
- E. Current revenue will be sufficient to support current expenditures.
- F. Annual revenues are conservatively estimated as a basis for preparation of the budget and City service programs. Optimistic and best estimates should also be provided.
- G. Expenditures approved by the City Council in the budget define the City's spending limits for the upcoming fiscal year at the fund level. Beyond the requirements of law, the City will maintain an operating philosophy of cost control and responsible financial management.
- H. Annual expenditures should be maintained within the limitations of annual revenues. The City will not use external short-term borrowing to finance current operating needs without full financial analysis and prior approval of the City Council.
- I. Use of one-time revenues shall be limited to capital expenditures or loan payments, rather than being used for on-going operations. One-time revenues include cash received from unusual events such as from the sale of property, legal awards, and taxes and fees from large construction projects.

- J. In order to ensure the continuity of services, the City will budget no more sales tax revenue than was received in the prior year as a hedge against possible future economic events.
- K. All fees for services may be reviewed and adjusted annually to ensure that rates are equitable and cover the total cost of service or that percentage of total service cost deemed appropriate by the City.
- L. Grant applications to fund new service programs with state or federal funds will be reviewed by staff, as they become available, with due consideration being given to whether locally generated revenues will be required to support these programs when outside funding is no longer available.
- M. The budget shall be consistent with the current year of the Capital Improvement Plan (CIP). Budget planning activities shall be based on the next year of the CIP.

303 Budget Format

The budget shall include at least three years previous revenues and expenditures, the current year budget and estimate, and the proposed budget. 5-year projections on revenues and expenditures are encouraged.

304 Budget Calendar

The suggested budget calendar shall be as follows, except that it shall abide by state laws and may be modified as directed by City Council. Staff is encouraged to exceed these standards.

2nd Tuesday in July

Review of budgeted positions, salaries, benefits, and time/cost allocations

4th Tuesday in July

Review of service levels by department

Request Department Heads for revenue and expenditure estimates

(NOTE: State Requirement per RCW 35A.33.030 is the 2nd Monday in September).

2nd Tuesday in August

Review of anticipated Hotel/Motel requests

4th Tuesday in August

Review of initial Revenue Projections

Department Head estimates to be filed with Clerk

(NOTE: State Requirement per RCW 35A.33.030 is the 4th Monday in September).

2nd Tuesday in September

Discussion on Proposed budget for Hotel/Motel

Hearing on Revenue Sources and Property Tax Levy

Clerk presents preliminary budget to the Mayor

(NOTE: State Requirement per RCW 35A.33.050 is the 1st Business Day in October).

4th Tuesday in September

Discussion on Proposed Budgets for Utilities.

Full preliminary budget provided to Council and made available to the public.

(NOTE: estimates are due per RCW 35A.33.050 is by the 1st Monday in October; the preliminary budget is due by November 2nd per RCW 35A.33.052; copies of the preliminary budget must be made available to the public six weeks before January 1st per RCW 35.33.055).

Public Hearing on Revenue Sources and Property Tax Levy (see RCW 84.55.120)

2nd Tuesday in October

Review of General Fund Budget

Review of Miscellaneous Budgets

Vote on Property Tax Levy

(NOTE: property tax levies are required to be set by November 30th per RCW 84.52.070)

3rd and 4th Wednesdays in October and 1st Wednesday in November

Clerk published notices of public hearings on budget (NOTE: notices are required to be published in the first two weeks of November per RCW 35A.33.060)

4th Tuesday in October

Review of General Fund Budget

Review of Miscellaneous Budgets

2nd Tuesday in November

Hearing on Budget

4th Tuesday in November

Final budget hearing (may be continued into December).

(NOTE: the final budget hearing must be held by the first Monday in December per RCW 35A.33.070)

Vote on Budget

(NOTE: the budget must be adopted by December 31st per RCW 35A.33.075)