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General Management

- 1. All departments or city controlled agencies, will share in the responsibility of meeting policy goals and ensuring long-term financial health. Future service plans and program initiatives will be developed to reflect current policy directives, projected resources and future service requirements.
- 2. The budget process is intended to assist Finance Director manage the unlimited wants and requests for limited City resources. Any requests for new, on-going programs made <u>outside the budget process</u> will be prohibited, except for emergencies to insure financial continuity. The City's main goal is to operate on a balanced budget basis, whenever possible.
- 3. Addition of personnel will only be requested to meet program initiatives and policy directives; after service needs have been thoroughly examined and it is substantiated that additional, staffing will result in increased revenue, enhanced operating efficiencies or ensure compliance with federal & state laws. To the extent feasible, personnel cost reductions will be achieved through attrition.
- 4. Current expenditures will be funded by current revenues, except for capital improvement projects. The City will strive for a diversified and stable revenue system which will protect programs from short-term fluctuations in any single revenue source.
- 5. All non-restricted revenues will be deposited in the General Fund, except for revenues specified for Street Fund, Capitol Improvement Fund or other special revenue funds. These revenues shall be estimated and appropriated by the budget process. In the event actual revenues become significantly lower than projected, Expenditures will be reduced as necessary to balance the budget.
- 6. All permits, fees and charges will be examined periodically by Revenue Enhancement Committee to ensure these revenues in an effort to cover know direct cost. All increases should take into consideration the burden on tax payers and those who pay these fees to ensure they increase is gradual over time and not overly burdensome one time hikes in cost.
- 7. The City should make every effort to use Grants to supplement funds to provide programs in all departments and agencies. Grants that vary in amount or cannot be forecast with a high degree of confidence should not be used to fund on-going programs. Programs financed with grant moneys will be budgeted in separate cost centers, and the service program will be adjusted to reflect the level of available funding. The timing of revenues should be matched with timing of expenses to the extent possible. However, the City's resources will be used to subsidize timing gaps in revenue and expenses. In some cases, it may also be necessary to subsidize programs, when the grant revenues are reduced but only after careful analysis of all program alternatives are considered.
- 8. The City should determine during the budget process, the amount of matching funds or total subsidies that will be provided for all grant activity. Those funds should be budgeted for and managed by the Grants Administrator.
- 9. All grants and other federal and state funds shall be managed to comply with the laws, regulations, and guidance of the grantor, and all gift and donations shall be managed and expended according to the wishes and instructions of the donor.
- 10. A projection of future revenue and expenditure will be prepared periodically to determine the City's ability to weather changes in the economy, service demands, capital improvements



needs and any other unforeseen events. The forecast should be included with each budget cycle to cover a three year period and will be updated annually. All significant revenues for the General, Street and Capital Improvement Funds should be re-projected quarterly and adjustments made to operating budgets in an effort to balance the budget.

- 11. The Finance department will provide analysis of service delivery and cost benefit analysis to ensure that quality services are provided and are provided at the most competitive and economical cost. Departments will identity all activities that can be provided by another source and review alternatives to current service delivery. The review of service delivery alternatives will be performed continually.
- 12. In an effort to attract and retain employees necessary for providing high quality services, the City shall establish and maintain a very competitive compensation and benefit package with the public and private sectors.
- 13. The City will follow an aggressive and professional policy of collecting revenues. All past dues not collected within 90 days of due date, shall be turned over to the City Attorney for further action.
- 14. The City may from time to time, authorize a transfer from one fund to another to ensure smooth and continuous operations of City services. Any increases in budgeted appropriations must be approved by the City Council and in compliance with A.C.A 14-58-203.
- 15. All unspent appropriations at the end of the fiscal year, shall lapse on December 31. However, the funds maybe carry forward into the next fiscal year for unfinished capital projects. Unspent appropriations remaining on December 31 in the next fiscal year shall be returned to the fund of origin unless the City Council or Mayor authorizes a project to continue. In that case, the budget should reflect the re-appropriation of fund balance to cover these costs.
- 16. The City will strive to maintain fair and equitable relationships with all vendors and contractors. A report of payments made to all vendors will be compiled at the end of each fiscal year and made available upon request through the City Clerk's Office.
- 17. All proceeds from the sale of assets belonging to city departments or agencies will be returned to the specific fund the department or agency is financed with. In the case, where two or more departments or agencies fund a project, the proceeds from the shared financing assets will be split in the same percentages as the funding provided to purchase the assets.