

Selected Financial Policies

Debt Policies

- Maintain and improve credit rating.
- Match the maturity schedule with useful life of project.
- Do not use short-term borrowing to finance operations except in extreme emergency.
- Maintain a reserve of Councilmanic debt capacity of \$100 million or 12% of legal capacity, whichever is greater.

Revenue and Expenditure Policies

- Revenues and expenditures should be projected for at least three years.
- Revenue estimates adopted by the City Council should be conservative.
- Fee schedules and user charges should be adjusted at least every two years to cover the cost of the service.
- A minimum of locally generated revenues will be used to replace funding for traditional responsibilities of the state and federal governments.
- An amount of \$17 million annually (in 1998 dollars) should be provided for major maintenance of general government facilities.

Reserve Fund and Fund Balance Policies

- Strive to maintain an emergency fund balance at a level at least equal to 2.5% of the General Fund budget.
- Fund a Revenue Stabilization Account up to a maximum of 2.5% of total annual tax revenue.
- Maintain reserves and working capital for General Fund and operating funds at a sufficient level to offset significant downturns.
- Use fund balances only for one-time capital or emergency expenditures.

Accounting and Financial Reporting Policies

- The City accounting system should conform with generally accepted accounting principles and standards.
- Develop and maintain financial systems to monitor expenditures, revenues and financial performance.