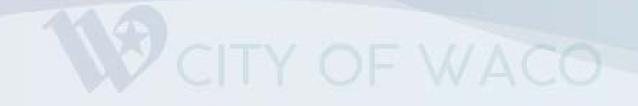
Fiscal Year 2022-2023 Budget Development Update



Discussion Topics

- Financial Management Policy Updates
- Budget Calendar



- Working Capital Definition
 - Clarified working capital to match the standard definition -Current assets minus current liabilities
 - Eliminates having three separate working capital numbers
 - 1) Budgetary Basis
 - 2) Finance basis Audited working capital less cash capital improvements program funds
 - 3) Audited working capital

- Purchasing
 - Added emphasis that efforts would be made to include minority and/or women owned businesses in bid process
- General Fund Assigned Fund Balance
 - Allows the City Manager and the Chief Financial Officer/Director of Finance or their designees to assign fund balance in the General Fund
 - For Financial Reporting purposes only for the audit process and completion of the Annual Comprehensive Financial Report (ACFR)

- Utility Working Capital
 - Updated Working Capital for utilities to include two (2%) percent of tangible capital assets in most recent audited financial statements
 - Clarified that the amount for the Wastewater Fund includes WMARSS
 - Overall fund balance would be 30% of annual revenues plus 2% of tangible capital assets



- Net Position of Internal Service Funds
 - Adds the Information Technology Fund
 - Goals of the new fund:
 - Separately account for Information Technology as it provides services across the organization
 - Provide resources for the regular replacement of Information Technology Equipment
 - Adds Proprietary Fund Vehicle and Equipment Replacement Fund
 - Goal of the new fund:
 - Plan for the future replacement of vehicles and equipment for proprietary funds

- Capital Expenditure Financing
 - Clarified the use of debt
- Five Year Forecast
 - Removed language related to an additional 15-year forecast
 - Industry standard is 5 years



Next Steps

 Resolution with the changes will be brought forward in August to approve the policy



Budget Calendar

- July 12 Budget and Audit Committee Fee Schedule and Draft Financials for smaller funds
- July 15 Planned completion of Budget operational, capital, and fee schedule
- July 25 Certified Tax Roll Due from MCAD
- July 29 Budget Due
- August 2 Presentation of Filed Budget and Certified Tax Roll including the CIP
- August 2 Resolution Setting Date for Public Hearing and Vote on Budget

Budget Calendar

- August 9 Budget and Audit Committee Tentative Meeting
- August 16 1st Reading of Ordinance setting Departments
- August 16 Resolution Setting Date for Public Hearing and Vote on Tax Rate
- August 30 Public Hearing on Proposed Budget
- August 30 Adoption of the Budget
- August 30 2nd Reading of Ordinance setting Departments
- September 6 Public Hearing and First and Final Reading of Tax Rate Ordinance

