FINANCIAL POLICIES

I. We will maintain a balanced operating budget for all governmental funds with ongoing revenues equal to or greater than ongoing expenditures.

II. We will continue to place into the Capital Improvement Program:
   A. The Capital Improvement Fund whose resources shall be one half of the City's Sales Tax and all of the Scholl Canyon Rubbish Fees.
   B. The Gas Tax Fund whose resources shall consist of all Gas Tax revenues
   C. The Scholl Canyon Life Extension Fund whose resources shall consist of all of the Scholl Canyon Host Fees.
   D. Any transfers from the Capital Improvement Fund to the General Fund will be determined each year during the Budget process, but the goal will be to eliminate the transfers.

III. We will continue to fund all City governmental capital improvements on a "pay-as-you-go" or cash basis, but recognize that there may be times when an alternate financing strategy may be appropriate. Each strategy (General Obligation Bonds, Certificates of Participation, and Lease-back arrangements, etc.) needs to be considered in light of the specific project and the consequences of each financing strategy.

IV. We will continue to fund post-employment liabilities like vacation, sick leave value, etc. on a "pay-as-you-go" or cash basis as the expense is incurred rather than when it is paid.

V. Modifications after the City Council adopts the Budget, whether between account or category of expenditure, will require Council Resolution whenever the amount cumulatively exceeds $25,000 in any single fiscal year.

VI. We will maintain a General Fund Reserve (including the Charter required reserve), equal to not less than 35% of the operating budget, with a goal of returning to 50%.

VII. We will maintain cash not less than the claims payable in each self-insurance internal service fund.

VIII. The City will not leverage borrowed money for purposes of increased investment return nor to increase our borrowing capacity.

IX. We will continue to pay competitive market level compensation to our employees.

X. We will continue to comply with all the requirements of Generally Accepted Accounting Principles (G.A.A.P.).

XI. We will continue to recognize the deterioration of equipment by placing money into "sinking funds/depreciation funds" for all General Fund equipment on an annual ongoing basis. In addition, the City will implement similar funding mechanisms to properly set funding aside on an annual ongoing basis for:
  A. The replacement of deteriorating City governmental buildings
  B. Major automation project capital expenditures.

XII. We will pursue cost recovery for services funded by governmental funds incorporating defined budgets, specific goals, and measurable milestones.

XIII. We will pursue collection activities that will yield the highest amount of revenue that is due to the City, while minimizing the costs incurred to do so. Sales Tax and Transient Occupancy Tax misallocation/verification are examples of areas that the City will prudently pursue.

XIV. We will continue to maintain an Investment Committee with the primary purpose of serving in an advisory role. The Investment Committee will function under their own prescribed procedures as defined by their adopted charter.

XV. We will continue to maintain an Audit Committee primary purpose of serving in an advisory role. The Audit Committee will function under their own prescribed procedures as defined by their adopted charter.

* Last modified by motion of the City Council on July 1, 1997

California Society of
Municipal Finance Officers

Certificate of Award
Excellence in Operational Budgeting 2001-2002

Presented to

City of Glendale

This certificate recognizes the achievement of Excellence in Operational Budgeting and reflects an outstanding budget document and the underlying budgeting process through which the budget is implemented.

February 21, 2002

_____
Chair, Budgeting & Financial Management

_____
Vice-Chair, Budgeting & Financial Management

Dedicated to Excellence in Municipal Financial Management