

RESOLUTION NO. 9169

ANNUAL BUDGET RESOLUTION

A RESOLUTION RELATING TO FINAL BUDGETS AND ANNUAL
APPROPRIATIONS FOR THE FISCAL YEAR
BEGINNING JULY 1, 2001 AND ENDING JUNE 30, 2002

- A. MCA 7-1-114 provides that "A local government with self-governing powers is subject to ... (g) Any law regulating the budget" ;
- B. SB138 was passed by the 2001 Legislature, became effective July 1, 2001, and will be codified in Title 7, Chapter 6. This legislation rewrote and/or replaced the budget and accounting statutes for cities, counties and consolidated cities/counties.
- C. SB138 Section 24 requires City Commission approval and adoption of the final budget by resolution passed at a regular commission meeting on or before the second Monday in August or within 45 calendar days of receiving certified taxable values from the department of revenue.
- D. the notice of hearing on preliminary budget was published in accordance with MCA 7-1-4128, as required by SB138 Section 21; and,
- E. the hearing on preliminary budget was held in accordance with MCA 7-1-4131 and SB138 Section 24.

NOW, THEREFORE,

BE IT RESOLVED BY THE CITY COMMISSION OF THE CITY OF GREAT FALLS,
MONTANA:

Section 1. - Legal Spending Limits

Appendix A, Balances & Changes by Fund, (found in the Financial Section of the annual budget document) of this resolution sets forth, per fund:

- a. the estimated, July 1, beginning balances;
- b. the estimated revenues;
- c. the interfund transfers in and transfers out;
- d. the authorized appropriations; and,
- e. estimated, June 30, ending balances.

The authorized appropriations as stated in Appendix A establish the legal spending limits of the municipality at the fund level. (SB138 Section 26(3b))

Section 2. - Implementation Authority

Management plans in the budget document and in the City's accounting records which detail revenues, expenditures and balances below the fund level are designated management tools. It is declared necessary for management to be able to adjust to changing circumstances while adhering to goal and objective principles. The purpose of this section is to retain budgetary control while providing effective operational flexibility.

- 2.1 The authority to make transfers of appropriations between funds is retained by the City Commission.
- 2.2 The City Manager is hereby delegated appropriation authority for the expenditure of funds from any or all of the following:
 - a. debt service funds;
 - b. trust funds;
 - c. federal, state, local or private grants accepted and approved by the governing body;
 - d. special assessments;
 - e. proceeds from the sale of land;
 - f. any fund for gifts or donations; and,
 - g. money borrowed during the fiscal year. *(SB138 Section 14)*
- 2.3 The City Manager is hereby delegated authority to adjust appropriations funded by fees throughout the fiscal year in any or all of the following:
 - a. proprietary funds (enterprise and internal service funds);
 - b. general fund for fee supported services;
 - c. planning fund for fee supported mapping services;
 - d. natural resources fund for fee supported forestry services;
 - e. permits fund; and,
 - f. licenses fund. *(SB138 Section 16)*
- 2.4 The City Manager is hereby delegated the authority to make transfers or revisions within or among appropriations of any fund.
(consistent with SB138 Sections 13 and 16, legal spending limit = fund level)
- 2.5 The City Manager may delegate to his Department Directors the authority to make transfers or revisions within or among appropriations of specific operations within a fund, limited to the Division level of accountability.
(consistent with SB138 Sections 13 and 16, legal spending limit = fund level)

- 2.6 Joint operating agreements approved by the governing body; insurance recoveries or dividends; hazardous material recoveries and, refunds or reimbursements of expenditures shall automatically amend the annual appropriations or reduce recorded expenditures whichever is correct in accordance with Generally Accepted Accounting Principles (GAAP).

Section 3. - Appropriation Carryovers

Generally accepted accounting principles (GAAP) require expenditures to be recognized in the fiscal year in which the goods or services are received.

- 3.1 Previous fiscal year appropriations for incomplete improvements in progress of construction, or segments thereof, are hereby declared authorized appropriations in addition to the appropriations set out in Appendix A., provided they meet the following criteria:
- a. related financing was provided in the prior fiscal year;
 - b. the appropriations were not obligated by year end;
 - c. the purpose was not included, or rejected, in current budget financing or appropriations; and,
 - d. the City Manager determines the appropriation is still needed.
- 3.2 Accounts payable shall be recorded as expenditures against appropriations in the year in which the goods or services were received in accordance with GAAP. *(consistent with SB138 Section 3(1a))*
- 3.3 Outstanding purchase orders and other obligations, representing a City obligation to pay the claim after receipt of the goods or services, are recognized as "claims incurred". They are hereby declared authorized "carryover" appropriations in addition to the appropriations set out in Appendix A., provided they meet the following criteria:
- a. related financing was provided in the prior fiscal year;
 - b. the appropriations were not otherwise obligated by year end;
 - c. the purpose was not included, or rejected, in current budget financing or appropriations; and,
 - d. the City Manager determines the appropriation is still needed.

Section 4. - Appropriated Reserves

Reserves which have been established for specific purposes, such as Equipment Revolving Scheduled (ERS) reserves, are hereby declared to be appropriations available for expenditure according to the reserve purpose. They shall be acknowledged as current appropriations upon the determination by the City Manager that they are currently needed to serve their intended purpose. Unexpended reserves shall be carried forward to meet future needs in accordance with their purpose.

Section 5. Contingency Account

- 5.1 Contingency account appropriations are provided by the City Commission as flexible appropriations. They are intended to provide the City Manager with an effective management tool for adjusting to changing circumstances throughout the budgetary year.
- 5.2 The City Manager is delegated the authority to transfer part or all of any contingency appropriation and related financing. Use of contingency appropriations is restricted to transfers of that appropriation authority to specific operating budgets. Proper classification of expenditures to specific operations is required. Accordingly, charging of expenditures directly to Contingency accounts is prohibited.
- 5.3 The Contingency appropriation is a two part authorization, determined on whether cash funding has been allocated in the General Fund during budget development:
 - a. General Fund financed; and,
 - b. Unfunded - a specific fund cash balance, additional revenue, or other funding source must be identified before the "unfunded" contingency appropriation may be used.

Section 6. - Classification and Pay Plan

- 6.1 The objective of the City's classification and pay plan is to enable the City to retain, and when necessary, recruit competent employees. Therefore, the Plan must be a dynamic tool which is continuously updated.
- 6.2 The City Manager is authorized to administratively change the Classification and Pay Plan. Annual pay surveys, continual or periodic review of positions with changed duties or responsibilities, and additions to the classification plan of changed and new classes of work will assure that the Classification and Pay Plan remains current and equitably meets the needs of the City and its employees.

Section 7. - Budgetary Authority

References to statutes, or to consistency with statutory authority, are for information purposes only. Nothing in this resolution shall be considered to mitigate or compromise the City's self-governing authority.

Section 8. - Accounting Structure

Staff is hereby directed to establish and maintain City accounting structure in accordance with Generally Accepted Accounting Principles (GAAP). Statutes, ordinances, resolutions or other authoritative sources shall be implemented according to their intent and GAAP. Staff shall provide for conformance with the Commission's limits for financing and appropriation under authorized budgets whenever making proper modifications to

accounting structure.

PASSED by the Commission of the City of Great Falls, Montana, on this 7th day of August, 2001.

Randall H. Gray, Mayor

ATTEST:

Peggy J. Bourne, City Clerk

(SEAL OF CITY)

Approved as to form: City Attorney

State of Montana)
County of Cascade): ss
City of Great Falls)

I, Peggy J. Bourne, City Clerk of the City of Great Falls, Montana, do hereby certify that the foregoing Resolution No. 9169 was placed on its final passage and passed by the Commission of the City of Great Falls, Montana, at a meeting thereof held on the 7th day of August, 2001, and approved by the Mayor of said City on the 7th day of August, 2001.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed the Seal of said City this 7th day of August, 2001.

Peggy J. Bourne, City Clerk

(SEAL OF CITY)