

ARTICLE VII. - FINANCIAL PROCEDURES

Footnotes:

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Cross reference— *Expenditure of funds, §§ 2-12 et seq.*

§ 7.01. - Fiscal year.

The fiscal year of the city shall begin on the first day of October and end on the last day of September unless otherwise dictated by state statutes.

§ 7.02. - Submission of budget and budget justification.

On or before the first regular meeting in August of each year, the manager shall submit to the council a budget for the ensuing fiscal year and an accompanying message.

§ 7.03. - Budget justification.

The city manager's justification shall explain the budget both in fiscal terms and in terms of the work program. It shall outline the proposed financial policies of the city for the ensuing fiscal year, describe the important features of the budget, indicate any major changes from the current year in financial policies, expenditures and revenues together with the reasons for such changes, summarize the city's debt position and include such other material as the city manager and/or Council directs.

§ 7.04. - Budget.

(a) The budget shall provide a complete financial plan of all city funds and activities for the ensuing fiscal year and, except as required by law or this charter, shall be in such form as the city manager and/or Council directs. In organizing the budget the city manager shall utilize the most feasible combination of expenditure classification by fund, organization unit, program, purpose or activity and object. It shall begin with a clear general summary of its contents; shall detail estimated income, indicating the proposed property tax levy and all proposed expenditures including debt service for the ensuing fiscal year; and shall be so arranged as to show comparative figures for actual and estimated income and expenditures of the current fiscal year and actual income and expenditures of the preceding fiscal year. It shall indicate in separate sections:

(1) Proposed expenditures for current operations during the ensuing fiscal year, detailed by offices, departments and agencies in terms of their respective work programs, and the method of financing such expenditures;

- (2) Proposed capital expenditures during the ensuing fiscal year, detailed by offices, departments and agencies when practical, and the proposed method of financing each such capital expenditure; and
- (3) Anticipated net surplus or deficit for the ensuing fiscal year of each utility owned or operated by the city and the proposed method of its disposition. Subsidiary budgets for each such utility giving detailed income and expenditure information shall be attached as appendices to the budget.

(b) The total of proposed expenditures shall not exceed the total of estimated income.

§ 7.05. - Capital program.

- (a) *Submission to council.* The city manager shall prepare and submit to the council a five-year capital program by the first regular meeting in August of each year.
- (b) *Contents.* The capital program shall include:
 - (1) A clear general summary of its contents;
 - (2) A list of all capital improvements which are proposed to be undertaken during the five (5) fiscal years next ensuing, with appropriate supporting information as to the necessity for each improvement included;
 - (3) Cost estimates, method of financing and recommended time schedules for each such improvement; and
 - (4) The estimated annual cost of operating and maintaining the facilities to be constructed or acquired.

The above may be revised and extended with regard to capital improvements still pending or in process of construction or acquisition.

§ 7.06. - Council action on budget.

Action on the City budget shall be in accordance with State Law.

§ 7.07. - Council action on capital program.

The City shall adopt and review annually a Capital Improvements Program.

§ 7.08. - Public records.

Copies of the budget and capital program as adopted shall be public records and shall be made available to the public at suitable places in the city.

§ 7.09. - Amendments after adoption.

- (a) *Supplemental appropriations.* If during the fiscal year the city manager certifies or the council determines that there are available for appropriation revenues in excess of those estimated in the budget, the council by ordinance may make supplemental appropriations for the year up to the amount of such excess after advertising thereof as provided above.
- (b) *Emergency appropriations.* To meet a public emergency affecting life, health, property or the public peace, the council may make emergency appropriations. Such appropriations may be made by emergency ordinance in accordance with the provisions of section 4.19. To the extent that there is no available unappropriated revenue to meet such appropriations, the council may by such emergency ordinance authorize the issuance of emergency notes, which may be renewed from time to time, but the emergency notes and renewals of any fiscal year shall be paid not later than the last day of the fiscal year next succeeding that in which the emergency appropriation was made.
- (c) *Reduction of appropriations.* If at any time during the fiscal year it appears probable that the revenues available will be insufficient to meet the amount appropriated, the council shall then take such further action as necessary to prevent or minimize any deficit and for that purpose it may by ordinance reduce one or more appropriations.
- (d) *Transfer of appropriations.* At any time during the fiscal year the city manager or the council may transfer, within a department part or all of any unencumbered appropriation balance among programs within a department, office or agency and, upon written request by the city manager, the council may by resolution transfer part or all of any unencumbered appropriation balance from one department, office or agency to another.
- (e) *Limitations; effective date.* No appropriation for debt service may be reduced or transferred, and no appropriation may be reduced below any amount required by law to be appropriated or by more than the amount of the unencumbered balance thereof. The supplemental and emergency appropriations and reduction or transfer of appropriations authorized by this section may be made effective immediately upon adoption.

§ 7.10. - Lapse of appropriations.

Every appropriation, except an appropriation for a capital expenditure, shall lapse at the close of the fiscal year to the extent that it has not been expended or encumbered. An appropriation for a capital expenditure shall continue in force until the purpose for which it was made has been accomplished or abandoned; the purpose of any such appropriation shall be deemed abandoned if three (3) years pass without any disbursement from or encumbrance of the appropriation.

§ 7.11. - Administration of budget.

- (a) *Work programs and allotments.* At such time as the city manager shall specify, each department, office or agency shall submit work programs for the ensuing fiscal year showing the requested allotments of its appropriation by periods within the year. The city manager shall review and authorize such allotments with or without revision as early as possible in the fiscal year. The city manager may revise such allotments during the year if the city manager deems it desirable and shall revise them to accord with any supplemental, emergency, reduced or transferred appropriations made pursuant to section 7.09.
- (b) *Payments and obligations prohibited.* No payment shall be made or obligation incurred against any allotment or appropriation except in accordance with appropriations duly made and unless the city manager or the city manager's designee first certifies that there is a sufficient unencumbered balance in such allotment or appropriation and that sufficient funds therefrom are or will be available to cover the claim or meet the obligation when it becomes due and payable. Any authorization of payment or incurring of obligation in violation of the provisions of this Charter shall be void and any payment so made illegal; such action shall be cause for removal of any officer who knowingly authorized or made such payment or incurred such obligation, and the city manager shall also be liable to the city for any amount so paid. However, except where prohibited by law, nothing in this Charter shall be construed to prevent the making or authorizing of payments or making of contracts for capital improvements to be financed wholly or partly by the issuance of bonds or to prevent the making of any contract or lease provided for payments beyond the end of the fiscal year, provided that such action is made or authorized by ordinance.