

City of Brush! Financial Guidelines

Purpose

The purpose of the City of Brush!'s financial guidelines are to establish principles for managing the financial affairs of the City. These policies may be modified by formal Council action.

General Guidelines

1. The City will seek to provide only public services that are required by statute or are supported by our citizens.
2. Services will be reviewed annually to ensure that they are being delivered in the most efficient and effective manner possible.
3. An inventory of City assets will be maintained and updated on an annual basis.

Budgetary Guidelines

1. The City will prepare an annual budget that balances each fund. The budget will document all revenues and expenditures and describe the services provided.
2. As part of the annual budget process, revenues and expenditures will be projected for the next five years to provide better financial planning.
3. Current and future revenues and expenditures will be projected on a conservative basis.
4. It is the goal of the City to pay for current expenditures with current revenue.
5. The City will prepare monthly reports that compare actual revenues and expenditures to budgeted amounts.
6. In preference to burdening citizens and businesses with drastic rate hikes to meet critical needs, the Council will on an annual basis evaluate all enterprise funds and adjust fees upwards in accordance with the current year's Denver-Boulder CPI. If after careful consideration however, individual funds are proven to be stable for immediate and future improvements, the Council may waive fee increases in a particular fund for the ensuing fiscal year.

Accounting Guidelines

1. The City will implement its accounting practices according to State Statute and generally accepted accounting practices.

2. An annual audit will be performed by a qualified public accounting firm, with the subsequent issue of an official annual financial statement.

Reserve Guidelines

1. An annual reserve, or ending balance will be maintained in the General and Enterprise funds in an amount equivalent to three (3) months operating expenses for the specific fund. This minimum figure may be modified under unique circumstances if a plan to increase the figure back to the target minimum is approved.

Revenue Guidelines

1. Rates and charges within the Enterprise funds will be at a sufficient level to cover annual operating costs, equipment replacement and the replacement of capital facilities.
2. One-time or short-term revenues, including revenue from private construction and grants, will not be treated as an ongoing revenue for financial planning purposes.
3. The City will maintain a system for charging administrative fees for services provided by the General Fund to the Enterprise funds. This fee will be reviewed periodically.

Capital Improvement and Equipment Policies

1. The City will maintain and annually update a Five-Year program for capital improvements.
2. All of the City's physical assets will be maintained at a level adequate to protect the City's capital investment and to minimize future maintenance and future replacement costs.
3. The City will maintain and annually update a Five-Year program for the replacement of vehicles and equipment.
4. Vehicles and equipment will be replaced according to a formal, multi-year Vehicle and Equipment Replacement Schedule. The schedule will be based on accepted lifespans and use for vehicles and equipment and the actual condition and usage of individual vehicles and equipment.
5. The City will maintain accurate and complete information on all vehicles and equipment. It is the goal of the City to utilize vehicles and equipment so they are in proper working order. Excessive maintenance may lead to early replacement of a vehicle or equipment.