

RESOLUTIONS OF THE CITY OF HELENA, MONTANA

RESOLUTION NO. 19924

A RESOLUTION ADOPTING FINAL BUDGETS, BUDGET AUTHORITIES AND ANNUAL APPROPRIATIONS FOR THE FISCAL YEAR BEGINNING JULY 1, 2012 AND ENDING JUNE 30, 2013 AND SETTING THE SALARY FOR MUNICIPAL JUDGE

WHEREAS, Section 7-1-114, MCA provides that a local government with self-governing powers is subject to any law regulating the budget, finance, or borrowing procedures and powers of local governments; and

WHEREAS, appropriation adjustments are sometimes integral to other business actions, and in those situations separate budget amendment procedures are not necessary. To carry out this intent, the Local Government Budget Act was passed; and

WHEREAS, Section 7-6-4006(3), MCA, states:

"Appropriations may be adjusted according to procedures authorized by the governing body for:

- (a) debt service funds for obligations related to debt approved by the governing body;
- (b) trust funds for obligations authorized by trust covenants;
- (c) any fund for federal, state, local, or private grants and shared revenue accepted and approved by the governing body;
- (d) any fund for special assessments approved by the governing body;
- (e) the proceeds from the sale of land;
- (f) any fund for gifts or donations; and
- (g) money borrowed during the fiscal year."

WHEREAS, Section 7-6-4012, MCA, states:

"(1) In its final budget resolution, the governing body may authorize adjustments to appropriations funded by fees throughout the budget period. Adjustable appropriations are:

- (a) proprietary fund appropriations; or
 - (b) other appropriations specifically identified in the local government's final budget resolution as fee-based appropriations.
- (2) Adjustments of fee-based appropriations must be:
- (a) based upon the cost of providing the services supported by the fee; and
 - (b) fully funded by the related fees for services, fund reserves, or non-fee revenue such as interest."

WHEREAS, Sections 2-7-504, 7-6-609 and 7-6-611(1)(a), MCA, require the City to maintain its accounting systems in accordance with Generally Accepted Accounting Principles (GAAP), changes to accounting systems will be made during the fiscal year in accordance with GAAP; and

RESOLUTIONS OF THE CITY OF HELENA, MONTANA

Res. No. 19924

WHEREAS, Appropriations authorized in the annual, or properly amended budget, will not change if restructured in such accounting system changes; and

WHEREAS, Section 7-6-609, MCA, states:

- (1) It is the policy of the state of Montana that all governmental accounting systems be established and maintained in accordance with generally accepted accounting principles that are nationally recognized as set forth by the governmental accounting standards board or its generally recognized successor.
- (2) The codifications, pronouncements, and interpretations of the governmental accounting standards board or its generally recognized successor must be recognized as the primary authoritative reference for governmental accounting; and

WHEREAS, Sections 3-11-202, MCA and 2-8-4(C), Helena City Code provide that the annual salary and compensation of the municipal judge must be fixed by ordinance or resolution; and

WHEREAS, the City of Helena did advertise and held a public hearing on this matter June 18, 2012, at 6:00 p.m. in the Commission Chambers at the City-County Administration Building, 316 N. Park Ave., Helena, MT.

NOW, THEREFORE, BE IT RESOLVED BY THE CITY COMMISSION OF THE CITY OF HELENA, MONTANA:

Section 1. Legal Spending Limits: The Helena City Commission adopts the final budget based upon the preliminary budget previously proposed, as subsequently amended, and after concluding a public hearing on the same. As part of the final budget the City Commission hereby sets the City's budget level for the ensuing fiscal year as shown in Appendix A attached hereto. Appendix A, Balances & Changes by Fund, of this resolution sets forth per fund:

- A. the estimated, July 1, beginning cash balances;
- B. the estimated revenues;
- C. the interfund transfers in and transfers out;
- D. the authorized appropriations; and,
- E. the estimated, June 30, ending cash balances.

RESOLUTIONS OF THE CITY OF HELENA, MONTANA

Res. No. 19924

The authorized appropriations as stated in Appendix A - Balances & Changes by Fund, establish the legal spending limits of the municipality at the fund level. Detail below the fund level in Appendix A is informational only and does not reflect the legal spending limits.

Section 2. Property Tax Adjustments: Property taxes are to be levied to the full extent as allowed by law. If the property tax levy as allowed by law exceeds the budgeted property tax revenues, the additional property tax revenue will be placed in the General Fund's Reserve for Capital and Major Maintenance, and is available for appropriation there from.

Section 3. Budget 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 goals and objective principles. The purpose of this section is to retain budgetary control while providing effective operational flexibility.

A. Follow-through Authority As provided in section 7-6-4006(3), MCA, the City Manager is hereby delegated appropriation adjustment authority for the expenditure of funds from any or all of the following:

- i. debt service funds;
- ii. trust funds;
- iii. federal, state, local or private grants accepted and approved by the governing body;
- iv. special assessments;
- v. proceeds from the sale of land;
- vi. any fund for gifts or donations; and
- vii. money borrowed during the fiscal year.

The budget adjustment authority for federal, state, local or private grants in subsection

RESOLUTIONS OF THE CITY OF HELENA, MONTANA

Res. No. 19924

A. iii above includes the authority to appropriate the related City match, if any, with funding from reserves or transfers of available surplus.

- B. Fee Based Authority As provided in section 7-6-4012, MCA, the City Manager is hereby delegated authority to adjust volume-related appropriations funded by fees throughout the fiscal year or all of the following:
- i. proprietary funds (enterprise and internal service funds);
 - ii. general fund for fee supported services;
 - iii. street & traffic fund for fee supported services;
 - iv. civic center fund for fee supported services;
 - v. building fund for fee supported services;
 - vi. community facilities fund for fee supported services;
 - vii. police projects and reimbursements fund for fee supported services;
- and
- viii. storm water utility fund for fee supported services.
- C. Realignment Authority The City Manager is hereby delegated the authority to make transfers or revisions within or among line items which total the individual appropriations as provided in this resolution and any budget amendment resolutions consistent with Sections 7-6-4030 and 7-6-4033, MCA, legal spending limit.
- D. Police Budgets The City Manager is hereby delegated the authority to make transfers or revisions within or among line items for all Police Department budgets within or among the various funds, provided there is no increase in the total budgeted for the Police Department in the management plans supporting this resolution and any budget amendment resolutions.
- E. Fire Budgets The City Manager is hereby delegated the authority to make transfers or revisions within or among line items for all Fire Department budgets within or among the various funds, provided there is no increase in the total budgeted for the Fire Department in the management plans supporting this resolution and any budget amendment resolutions.
- F. Street & Gas Tax Budgets The City Manager is hereby delegated the

RESOLUTIONS OF THE CITY OF HELENA, MONTANA

Res. No. 19924

authority to make transfers or revisions within or between the Street & Traffic Fund and the Gas Tax Fund provided there is no increase in the total budgeted in order to provide for operations and maintenance within the Street and Traffic Fund and capital expenditures within the Gas Tax Fund.

- G. Division Level Budgets 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 sections 7-6-4030 and 7-6-4033, MCA, legal spending limit.
- H. Automatic Amendments Joint operating agreements approved by the governing body, insurance recoveries or dividends, hazardous material recoveries, donations for specific purposes, 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 4. - Appropriated Reserves: Reserves, which have been established for specific purposes, are hereby declared to be appropriations available for expenditure according to the reserve purpose. They are 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 Accounts:

- A. 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.
- B. The City Manager is delegated the authority to transfer part or all of any contingency appropriation and related financing, after advising the City Commission of his intent at a City Commission meeting or public work session. Use of contingency appropriations is restricted to transfers of that

RESOLUTIONS OF THE CITY OF HELENA, MONTANA

Res. No. 19924

appropriation authority to specific operating budgets within the General fund or other City funds. Proper classification of expenditures to specific operations is required. Accordingly, charging of expenditures directly to Contingency accounts is prohibited.

Section 6. Appropriation Carry-overs: Generally accepted accounting principles (GAAP) require expenditures to be recognized in the fiscal year in which the goods or services are received. As such, the Helena City Commission hereby authorizes the carry-over of prior year unspent budget authority under the following conditions:

- A. Previous fiscal year appropriations or segments thereof, are hereby declared authorized appropriations in addition to the appropriations set out in Appendix A, provided they meet the following criteria:
 - i. related financing was provided in the prior fiscal year;
 - ii. the appropriations were not obligated by year end;
 - iii. the purpose was not included, or rejected, in current budget financing or appropriations; and
 - iv. the City Manager determines the appropriation is still needed.

- B. 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:
 - i. related financing was provided in the prior fiscal year;
 - ii. the appropriations were not otherwise obligated by year end;
 - iii. the purpose was not included, or rejected, in current budget financing or appropriations; and
 - iv. the City Manager determines the appropriation is still needed.

Section 7. Capital Re-Appropriation: The City Commission routinely updates

RESOLUTIONS OF THE CITY OF HELENA, MONTANA

Res. No. 19924

its Comprehensive Capital Improvement Program in order to fully identify long-term capital needs and analyze projected financing capacity. After each fiscal year, there are often unanticipated appropriation savings within City operations. Therefore, the Helena City Commission authorizes the City Manager to re-appropriate prior year unspent budget authority into current year authorized capital appropriations or capital reserves in order to address capital needs. Such capital re-appropriations may be made under the following conditions:

- A. related financing was provided in the prior fiscal year;
- B. the projected unspent appropriation balance was not reallocated as financing for other appropriations;
- C. the appropriations were not obligated by year end;
- D. the purpose was not included, or rejected, in current budget financing or appropriations;
- E. the City Manager determines the re-appropriation is needed to finance the Comprehensive Capital Improvement Program; and
- F. after advising the City Commission of his intent to make capital re-appropriations at a City Commission meeting or work session.

Section 8. Municipal Judge Salary and Compensation: The annual salary for the Municipal Judge is \$ 84,775 and total salary and benefits are \$ 105,806.

PASSED AND EFFECTIVE BY THE COMMISSION OF THE CITY OF HELENA, MONTANA, THIS 18th DAY OF June 2012.

/S/ James E. Smith
MAYOR

ATTEST:

/S/ Debbie Havens
CLERK OF THE COMMISSION