Presented by: Mayor & Assembly
Introduced: 12/20/93
Drafted by: K.S.K./J.R.C.

RESOLUTION OF THE CITY AND BOROUGH OF JUNEAU, ALASKA

Serial No. 1684

A RESOLUTION ESTABLISHING ASSEMBLY BUDGET POLICIES FOR THE ANNUAL OPERATING BUDGET AND THE CAPITAL IMPROVEMENT PROGRAM.

WHEREAS, budget policies should be one of the strategic budgeting tools used to make revenue, expenditure and fund balance decisions for the CBJ annual operating budget and the capital improvement program, and

WHEREAS, the Government Finance Officers Association has voted to give the CBJ Annual Operating Budget document the Distinguished Budget Presentation Award for the past four years, and

WHEREAS, this award is the highest form of recognition in governmental budgeting, and

WHEREAS, the Assembly desires the annual operating budget document continue to receive the Distinguished Budget Presentation Award, and

WHEREAS, the award criteria require an assessment of the organizational policies providing the context for development of the annual budget, and

WHEREAS, the program criteria ask for a presentation of the capital projects that will be funded during the budget year, and

WHEREAS, the award criteria require identification of specific financial impacts of capital projects upon the operating budget, and

WHEREAS, the Assembly and staff have been working together to formulate budget policies, and

WHEREAS, the adoption of these policies will provide direction to staff in the formulation of the Annual Operating Budget and Capital Improvement Program;

NOW, THEREFORE, BE IT RESOLVED BY THE ASSEMBLY OF THE CITY AND BOROUGH OF JUNEAU, ALASKA:

* Section 1. Policies. That the following policies are declared to be the budget policies for the annual operating budget and the capital improvement program of the City and Borough of Juneau.

a. **GOAL**

The budget policies adopted by the Assembly for the budget process will be among the strategic budgeting tools used to make revenue, expenditure and fund balance decisions in formulating the City Operating Budget and Capital Improvement Projects Plan.

b. **BUDGET**

1. Reporting. The annual operating budget document will be published in conformance with currently accepted standards of the Government Finance Officers Association.

2. Efficiencies. The Assembly will support the Manager's programs which have the effect of reducing costs and increasing efficiencies. The growth of operating costs will be controlled by implementing efficiency techniques, measuring performance, adapting services to meet the current public need and achieving cost effectiveness.

3. Fund Balances. The General Fund will maintain an emergency reserve equal to 5% of the total annual general governmental operating budget. A minimum of $2 million per year will be deposited into the "Rainy Day" Fund until the total amount exceeds $10 million. Each fund of the operating and capital budgets will be accompanied by a rationale for the proposed amount of fund balance.

4. Revenue. A fair balance between the imposition of property tax mill levy, sales tax, and user fee structures, will be achieved to fund services and maintain the quality of life Juneau residents expect. A broad tax base will equitably distribute the tax burden across the greatest population. Mill levies, sales tax rate, sales tax exemptions, and user fee structures will be reviewed annually. Requests for tax exemptions and fee waivers will be considered annually by the Assembly as part of the budget process.

5. Mid-year Appropriations. The Assembly will avoid mid-year appropriations unless necessary to avoid a crises, resolve an emergency, or perform an operational necessity.

6. Equipment Replacement Reserves. All major acquisitions of CBJ equipment or vehicles within the fleet replacement reserve shall be budgeted in an equipment replacement reserve fund. These funds shall be used only for the purchase or lease of equipment and not for general operations. A schedule of contributions and equipment replacement shall be included in the annual operating budget.

7. Process. The Assembly shall provide the Manager with a set of directives and priorities by which to formulate and balance the annual operating budget by January 15. The manager shall submit a balanced revenue and expenditure operating budget.

c. **EDUCATION**

The Assembly requests the Juneau School District Board of Education to submit an annual budget which is balanced and which reflects total estimated revenues and expenditures, both special revenue and general operating funds.

d. **LEVELS OF SERVICE**

The annual operating budget shall provide funding for the best possible balance of allocations to meet varied community needs and provide long-term value at a reasonable cost.

The Assembly opposes unfunded mandates from the state and federal governments.

All service requirements imposed upon the City and Borough of Juneau should be accompanied by revenues sufficient for maintenance and operations.

e. **ECONOMIC DEVELOPMENT**

1. Jobs. Consistent with federal, state, and local laws, a firm's location in Juneau shall be given due regard in municipal procurement decisions.

2. Long Term Planning. In each budget, the Manager shall project revenues, expenditures and fund balances for the subsequent five years. The projections shall be presented to the Assembly for its use in creating the guidelines and principles by which the current year operating budget will be balanced.

f. **INFRASTRUCTURE**

1. Capital Projects. The CBJ will coordinate development of the Capital Improvement Program budget with development of the annual operating budget. Future operating costs associated with new capital improvement projects will be projected and included with the annual operating budget forecast.

2. Maintenance. The CBJ will maintain every physical asset at a level adequate to protect the city's investment and minimize future maintenance and replacement costs.

g. **DEBT SERVICE**

Bonded indebtedness will be maintained at less than 5% of the assessed borough property value.

Bond propositions approved by the voters will result in a mill levy increase equivalent to the amount necessary to retire the debt.

* Section 2. Effective Date. This resolution shall be effective immediately upon adoption.

Adopted this 20th day of December, 1993.

Mayor

Attest:

Deputy Clerk