

CHAPTER 5-06: BUDGETS

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5-06-010. Budgets.

The Budget Officer shall prepare for each budget year a budget for the general fund, including the Class C and collector road funds, special revenue funds, debt service funds, and capital improvement funds. The budget for each fund shall provide a complete financial plan for the budget year and shall specify in tabular form the following: estimates of all anticipated revenues, classified by the account titles prescribed in the Uniform Accounting Manual for Utah Cities; and all appropriations for expenditures, classified by the account titles prescribed in the Uniform Accounting Manual for Utah Cities. The total of the anticipated revenues shall equal the total of appropriated expenditures.

5-06-020. Tentative Budget.

The Budget Officer shall prepare for the ensuing year, on forms provided or approved by the state auditor, and file with the City Council on or before the first regularly scheduled meeting of the City Council in May of each year, a tentative budget for each fund for which a budget is required.

5-06-030. Tentative Budget Requirements.

The tentative budget of each fund shall set forth in tabular form the following:

- (a) actual revenues and expenditures in the last completed fiscal year;
- (b) budget estimates for the current fiscal year;
- (c) actual revenues and expenditures for a period of six (6) to nine (9) months, as appropriate, of the current fiscal year;

- (d) estimated total revenues and expenditures for the current fiscal year; and
- (e) the Budget Officer's estimates of revenue and expenditures for the budget year computed in accordance with the provisions set forth in this Chapter.

5-06-040. Budget Officer Estimates.

(a) Expenditures. The Budget Officer shall estimate, on the basis of demonstrated need, the expenditures for the budget year after a review of the budget requests and estimates of the department heads. Each department head shall be heard by the Budget Officer prior to making the final estimates, but the officer may revise any department's estimates as the officer deems advisable for the purpose of presenting the budget to the City Council.

(b) Revenue. The Budget Officer shall estimate the amount of revenue available to serve the needs of each fund, estimate the portion to be derived from all sources other than general property taxes, and estimate the portion that must be derived from general property taxes. From the latter estimate, the Budget Officer shall compute and disclose in the budget the lowest rate of property tax levy that will raise the required amount of revenue, calculating the levy upon the latest taxable value.

5-06-050. Supporting Data.

Each tentative budget filed by the Budget Officer with the City Council shall contain the estimates of expenditures submitted by the department heads, together with specific work programs and such other supporting data as required herein or requested by the City Council. The City Council may require each department head to submit a supplementary estimate of all capital projects which the department head believes should be undertaken within the next three (3) succeeding years.

5-06-060. Budget Message.

Each tentative budget filed by the Budget Officer with the City Council shall be accompanied by a budget message, which shall explain the budget, contain an outline of the proposed financial policies of the City for the budget year, and describe the important features of the budgetary plan. The budget message shall also set forth the reasons for salient changes from the previous year in appropriation and revenue items and shall explain any major changes in financial policy.

5-06-070. Review of Tentative Budget.

The City Council shall review, consider and adopt the tentative budget at any regular or special meeting called for the purpose. The tentative budget may be amended or revised in such manner as is deemed advisable prior to public hearing, provided that no appropriation required for debt retirement and interest, reduction of any existing deficits, or otherwise required by law or ordinance, may be reduced below the minimum required.

5-06-080. Public Inspection.

The tentative budget adopted by the City Council and all supporting schedules and data shall be of public record filed in the office of the City Recorder, available for public inspection during regular business hours for a period of at least ten (10) days prior to the adoption of a final budget.

5-06-090. Public Hearing.

At the meeting at which the tentative budget is adopted, the City Council shall establish the time and place of a public hearing to consider adoption of the budget and shall order that notice thereof be published at least seven (7) days prior to the hearing in at least one issue of a newspaper of general circulation published in Davis County. The City Council shall hold a public hearing on the tentative budget at the time and place advertised at which all interested persons in attendance shall be given an opportunity to be heard, for or against, the estimates of revenue and expenditures or any item in the tentative budget of any fund.

5-06-100. Continuing Review.

After the public hearing on the tentative budget, the City Council may continue to review the tentative budget and may insert new items or increase or decrease items of expenditures that were the proper subject of consideration at the public hearing, provided that no appropriation required for debt retirement and interest, reduction of any existing deficits, or otherwise required by law or ordinance, may be reduced below the minimum required. The City Council shall increase or decrease the total anticipated revenue to equal the net change in proposed expenditures in the budget.

5-06-110. Final Budget.

The City Council shall, by resolution or ordinance, adopt a final budget for the ensuing fiscal year for each fund for which a budget is required herein before June 30 of each fiscal year, or August 31 in the case of a property tax increase under Title 59 of the *Utah Code Annotated*, as amended. Upon final adoption, the budgets shall be in effect for the budget year, subject to amendment.

5-06-120. Filing and Public Inspection.

A copy of the final budget for each fund shall be certified by the Budget Officer and filed with the State Auditor within thirty (30) days after adoption of the same by the City Council. A certified copy of the final budget shall also be filed with the City Recorder and shall be available to the public for inspection during regular business hours.

5-06-130. Amendments to Individual Budgets.

The City Council may, upon the written request of one of its members or upon its own motion setting forth the reasons therefor, review the individual budgets of the funds of the City for the purpose of determining if the total of any of them should be increased. If the City Council decides that the budget total of one or more of such funds should be increased, it shall follow the public hearing procedures set forth herein. After the public hearing, the City Council, by resolution or ordinance, may amend the budgets of the funds proposed to be increased to make the proposed increases which were the proper subject of consideration at the hearing. Final amendments in the current year to the budgets of any funds shall be adopted by the City Council on or before the last day of the fiscal year.

5-06-140. Operating and Capital Budgets.

The City Council shall adopt for the ensuing year an "operating and capital budget" for each enterprise fund and shall adopt such type of budget for other special funds as required by the Uniform Accounting Manual for Utah Cities in accordance with the procedures set forth herein.

5-06-150. Defined.

For purposes of this Chapter, "operating and capital budget" means a plan of financial operation for an enterprise or other required special fund, embodying estimates of operating resources and expenses and other outlays for a fiscal year.

5-06-160. Tentative Operating and Capital Budget.

The Budget Officer shall prepare for the ensuing fiscal year and file with the City Council on or before the first regularly scheduled meeting of the City Council in May of each year, a tentative operating and capital budget for each enterprise fund and for other required special funds.

5-06-170. Estimates.

The Budget Officer shall prepare estimates in cooperation with the appropriate department heads. Each department head shall be heard by the Budget Officer prior to making final estimates, but the Budget Officer may revise any department's estimates as the officer deems advisable for the purpose of presenting the budget to the City Council.

5-06-180. Supporting Data.

Each tentative operating and capital budget filed by the Budget Officer with the City Council shall contain the specific work programs as submitted by the department heads and any other supporting data required by the City Council. The City Council may require each department head to submit a supplementary estimate of all capital projects which the department head believes should be undertaken within the next three (3) succeeding years.

5-06-190. Public Hearing.

If within any enterprise fund, allocations or transfers which cannot be defined as a reasonable allocation of costs between funds are included in a tentative operating and capital budget, a written notice as to date, time, place, and purpose of such hearing is to be mailed to utility fund customers at least seven (7) days prior to the hearing.

5-06-200. Review of Tentative Operating and Capital Budget.

The City Council shall review and consider the tentative operating and capital budgets at any regular or special meeting called for the purpose. The City Council may make changes to the tentative budgets as deemed advisable. Operating and capital budgets for enterprise or other required special funds shall comply with the public hearing requirements set forth herein.

5-06-210. Final Operating and Capital Budget.

The City Council shall, by resolution or ordinance, adopt a final operating and capital budget for the ensuing fiscal year for each fund for which such a budget is required herein before June 30 of each fiscal year, or August 31 in the case of a property tax increase under Title 59 of the *Utah Code Annotated*, as amended. Upon final adoption, the operating and capital budgets shall be in effect for the budget year, subject to amendment.

5-06-220. Filing and Public Inspection.

A copy of the final operating and capital budget as finally adopted for each fund shall be certified by the Budget Officer and filed with the State Auditor within thirty (30) days after adoption of the same by the City Council. A certified copy of the final budget shall also be filed with the City Recorder and shall be available to the public for inspection during regular business hours.

5-06-230. Amendments to Operating and Capital Budgets.

The City Council may, upon the written request of one of its members or upon its own motion setting forth the reasons therefor, review any one or more of the operating and capital budgets for the purpose of determining if the total of any of them should be increased. The City Council may increase the total budget appropriation for any such funds by resolution at any regular or special meeting called for

that purpose, provided that written notice of the time, place and purpose of the meeting must be mailed or delivered to all members of the City Council at least five (5) days prior to the meeting unless such notice is waived in writing or orally during attendance at the meeting by any member of the City Council.

5-06-240. Expenditures.

Expenditures from operating and capital budgets shall conform to the requirements relating to budgets specified in Chapter 5-09 of this Title.

5-06-250. Appropriations.

(a) Limitation. The City shall not make any appropriation in the final budget of any fund in excess of the estimated expendable revenue for the budget year of such fund.

(b) Fund Excess. In determining the estimated expendable revenue of the general fund for the budget year, there shall be included therein as an appropriation from the fund balance that portion of the fund balance at the close of the last completed fiscal year, not previously included in the budget of the current year, that exceeds the amount permitted herein regarding fund balances.

(c) Fund Deficit. There shall be included as an item of appropriation in each fund for any budget year any existing deficit as of the close of the last completed fiscal year, not previously included in the budget of the current year, to the extent of at least five percent (5%) of the total revenue of such fund in its last completed fiscal year. If the total amount of the deficit is less than five percent (5%) of the total revenue in the last completed fiscal year, the entire amount of such deficit shall be included.

5-06-260. Fund Balances.

(a) All Funds. The City may accumulate retained earnings or fund balances as appropriate, in any fund as limited herein. Any fund balance in excess of five percent (5%) of the total revenues of the General Fund may be utilized for budget purposes.

(b) General Fund. Any accumulated fund balance in the General Fund shall not exceed eighteen percent (18%) of the total estimated revenue of the General Fund and shall be restricted to the following purposes:

(1) to provide working capital to finance expenditures from the beginning of the budget year until the general property taxes, sales taxes, or other applicable revenues are collected, thereby reducing the amount which the City must borrow during such period;

(2) to provide a resource to meet emergency expenditures; and

(3) to cover a pending year-end excess of expenditures over revenues from an unavoidable shortfall in revenues.

(c) Capital Improvement Fund. Within a capital improvement fund, the City Council may, in any budget year, appropriate from estimated revenue or fund balance to a reserve for capital improvements for the purpose of financing future specific capital improvements, under a formal long-range capital plan adopted by the City Council. The reserves may accumulate from year to year until the accumulated total is sufficient to permit economical expenditure for the specified purposes. Disbursements from the reserves shall be made only by transfer to a revenue or transfer account within the capital improvements fund, under a budget appropriation in a budget for the fund adopted in the manner provided herein. Expenditures from the above appropriation budget accounts shall conform to all requirements of this Title relating to execution and control of budgets.