

RESOLUTION 2009 - 83

ORIGINAL

**A RESOLUTION OF THE CITY COUNCIL OF THE  
CITY OF SUNNYSIDE, WASHINGTON,  
AMENDING BUDGET POLICIES**

**WHEREAS**, the City of Sunnyside endeavors to improve our ability to provide services to the community in a manner that reflects the need to balance our budget and live within our means, and

**WHEREAS**, the City of Sunnyside seeks to improve our financial condition by identifying best practices for sound fiscal management and endeavoring to achieve such practices in the future, and

**WHEREAS**, the City of Sunnyside seeks to guide the development of its annual budget by using budget policies to steer the often difficult decisions that need to be made when formulating and adopting a budget,

**NOW, THEREFORE, IT IS HEREBY RESOLVED BY THE CITY COUNCIL OF THE CITY OF SUNNYSIDE, WASHINGTON**, as follows:

**Section 1.** The Budget policies outlined in Exhibit "A", attached hereto, are hereby amended and adopted by the City of Sunnyside.

**Section 2.** City staff is directed to use these policies to guide budget formulation to the extent they can reasonably be achieved.

**Section 3.** City staff is encouraged to periodically identify which budget policies the City is unable to accomplish and present alternatives for Council to consider which will improve compliance with the policies outlined in Section 1.

**Section 4.** This Resolution shall be effective upon passage, approval and signatures hereon in accordance with law.

PASSED this 12<sup>th</sup> day of October, 2009.

  
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PABLO GARCIA, MAYOR

ATTEST:



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DEBORAH A. ESTRADA, CITY CLERK

APPROVED AS TO FORM:



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MENKE, JACKSON, BEYER, EHLIS & HARPER, LLP  
ATTORNEYS AT LAW

## BUDGET POLICIES

- The City will offer quality service programs that are effective. If expenditure reductions become necessary as a result of changing economic conditions or revenue shortfalls, options will be presented to the Council to either make cuts to services or across the board reductions and cuts.
- Unpredictable revenues (either sources of revenue that are unpredictable, or levels of known revenue sources above which there is the potential to fluctuate unpredictably) should be used for one-time capital needs, not operating needs.
- Funding for programs should be limited to the extent that they can reasonably be funded over the near- to long-term using the current revenue stream.
- Resources (fund balances) greater than budget estimates in any fund shall be considered "one-time" resources and shall not be used to fund ongoing services.
- City Council identified goals will be established annually, based on the available one-time resources of the City. The annual operating budget should allocate resources to accomplish these goals.
- **Balanced Budget:** Current revenues will be sufficient to support current expenditures. Revenue estimates will be realistic and one-time revenues or debt financing will not be used for current operating expenses.
- Fiscal reserves will be maintained according to the reserve policy established by Council to protect against the need to reduce service levels, raise taxes, or fees due to temporary revenue shortfalls or unprecedented one-time expenditures.
- The City's water, sewer, storm water, and transportation infrastructure constitute the City's largest physical asset. These assets will be managed in a manner that provides an effective level of service, in a manner that seeks to provide the lowest possible long-term cost for doing so.
- Investments that delay future cost increases: When practical, resources should be allocated for preventative investments that avoid larger future capital and/or operating costs.
- Investments that forestall adding permanent staff: Recognizing that personnel costs continue to increase faster than revenues, methods to increase efficiency and effectiveness of services through technology improvements should receive priority for funding if they forestall the need to add permanent staff.
- The City will seek to provide services that benefit the general public using general revenues (local taxes, ongoing intergovernmental revenue). Services that provide greater benefit to individuals or groups, but not as much to the

## EXHIBIT "A"

general public, will be identified for cost recovery through user fees on a sliding percentage scale based on the level of public benefit.

- Enterprise funds (water, sewer, storm water, garbage, ambulance funds) will be funded entirely using a user fee rate structure that covers the true cost of operation, including operation, maintenance, periodic capital replacement, debt service requirements and other costs deemed necessary.
- Overhead and Full Cost Allocation: Department budgets should be prepared in a manner that reflects the true and full cost of providing services.
- Opportunities to diversify revenue sources will be sought to decrease the dependence upon any single revenue source as a general revenue source.
- Debt will be used sparingly within the limits and capacity authorized by law and voter approval.
- Cash will be managed in a manner that balances the City's need for liquidity and return, based on the investment vehicles adopted by Council policy. No City cash will be invested in derivative or speculative risks.
- Operating Accountability: The City shall review expenditures and revenues periodically, and decide on actions to bring the budget into balance, if necessary.
- Capital Asset Replacement and Inventory: The City shall assess the condition and anticipated replacement needs of all major capital assets, and include them in capital improvement budgets as needed.
- Long-term projections: The City shall include in the budget a forward-looking examination of revenues and expenditures based on historical trends and anticipated major events to allow the greatest amount of time to adjust revenues and/or expenditures to accomplish balance.