

**CITY OF BROOKHAVEN  
STATE OF GEORGIA**

**RESOLUTION**

**RES 2016-11-02**

**RESOLUTION OF THE BROOKHAVEN CITY COUNCIL REVISING THE  
OPERATING BUDGET POLICY TO CONSOLIDATE REVENUE PRACTICES**

**WHEREAS:** The City of Brookhaven, Georgia (hereinafter, the "City") was duly incorporated on December 17, 2012; and

**WHEREAS:** A financial management policy is critical for developing and ensuring sound budget practices that sustain adequate service levels, maintain financial stability; and

**WHEREAS:** Title 36, Chapter 81, Article 1 of the Georgia Code (§ 36-81-3) requires the development and adoption of a responsible balanced budget on an annual basis; and

**WHEREAS:** Section 5.02. of the City Charter requires that the city submit a balanced budget to the city council on or before 45 days prior to the end of the current fiscal year.

**NOW THEREFORE BE IT RESOLVED,** that the attached Policy of the City of Brookhaven as Exhibit A be established as the official financial management policy for operating budget practices.

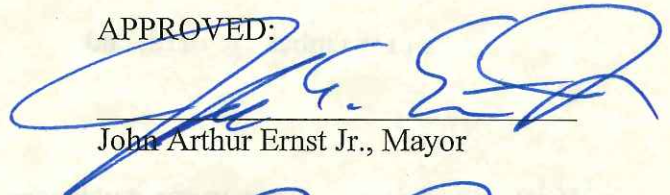
**CITY OF BROOKHAVEN  
STATE OF GEORGIA**

RES 2016-11-02

This Resolution shall be effective immediately upon its adoption.

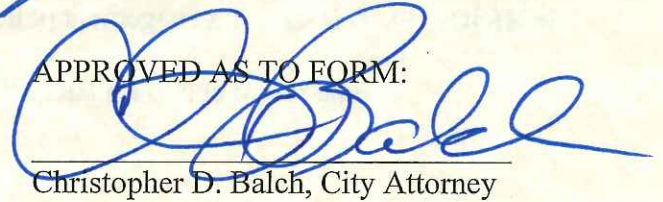
**SO RESOLVED AND EFFECTIVE**, this the 9<sup>th</sup> day of November, 2016.

APPROVED:



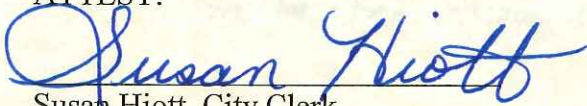
John Arthur Ernst Jr., Mayor

APPROVED AS TO FORM:



Christopher D. Balch, City Attorney

ATTEST:



Susan Hiott, City Clerk



## EXHIBIT A

### City of Brookhaven

Date of Issue: November 9, 2016

Resolution Number RES 2016-11-02

Effective Date: November 9, 2017

Subject: **Operating Budget Policy**

Revised Date: \_\_\_\_\_

Resolution Number \_\_\_\_\_

Approved: \_\_\_\_\_

Mayor – City of Brookhaven

---

#### **PURPOSE**

Budgeting is an essential element of the financial planning, control and evaluation process of municipal government. The “operating budget” is the City’s annual financial operating plan. The annual budget includes the operating departments of the general fund, special revenue fund, enterprise funds and other approved funds that may be established as needed.

#### **BUDGET PREPARATION**

The budget encompasses a fiscal year that begins on January 1 and ends on December 31. The budget is prepared by the City Manager and the Finance Director, with the cooperation and input of all City departments, on a basis that is consistent with Generally Accepted Accounting Principles.

#### **PROPOSED BUDGET**

A proposed budget shall be prepared annually by the City Manager for submission to the Mayor for input review and comment with participation of all City departments consistent with provisions of the City Charter and State budget laws. The mayor shall then submit the budget to the Council.



1. The budget shall include 1) revenues; 2) personnel costs including employee benefits, 3) purchased/contracted services, 4) supplies, and 5) capital outlay.
2. The budget review process shall include public hearings. At the time the proposed budget is transmitted to the Mayor and members of the City Council by the City Manager, a copy will be made available for public inspection at City Hall. No earlier than seven (7) after the proposed budget is transmitted to the City Council and at least seven (7) days in advance of budget adoption, at least two (2) public hearings will take place to give the public an opportunity to comment on the proposed budget. Notice of the public hearing must be advertised at least seven (7) days in advance of the public hearing.
  - a. The proposed budget will be transmitted to members of the City Council for its review with sufficient time given for the City Council to address policy and fiscal issues but no later than November 15.
  - b. The City Council, prior to the first day of the fiscal year, and in accordance with the dates prescribed in the City's ordinances, will adopt an annual budget at a public meeting.

#### **BUDGET ADOPTION**

The budget shall be adopted by the approval of an ordinance that specifies the anticipated revenues by appropriate categories, the proposed expenditure totals for each department, each non-departmental expense, and each fund covered by the budget. The budget shall be adopted at the fund/department level, which is the legal level of budgetary control. The current year's budget may be adjusted to reflect changes in the local economy, changes in priorities or service needs, receipt of unbudgeted revenues and for unanticipated expenditures.



## **BALANCED BUDGET**

The operating budget will be balanced with anticipated revenues, included appropriated unencumbered surplus equal to proposed expenditures. All funds within the budget shall also be balanced.

## **REVENUES**

### 1. Characteristics

The City shall strive for the following characteristics in its revenue structure:

- a. **Simplicity** – The City shall strive to maintain a simple revenue structure in order to reduce compliance costs for the taxpayer and/or service recipient.
- b. **Equity** – The City shall make every effort to maintain equity in its revenue system. The City shall seek to minimize subsidization between entities, funds, service, and customer classes.
- c. **Adequacy** – The City shall require that a balance in the revenue system be achieved. The revenue structure’s base shall have the characteristics of fairness and neutrality as it applies to cost of service, willingness to pay, and ability to pay.
- d. **Administration** – The benefits of a revenue source shall exceed the cost of levying and collecting that revenue. The price of collection shall be reviewed periodically for effectiveness as a part of the indirect cost of service.
- e. **Diversification and Stability** – The City shall maintain a diversified and stable revenue structure to shelter it from short-term fluctuations in any single revenue source. The revenue mix shall combine elastic and inelastic revenue sources to minimize the effect of economic downturns.
- f. **Conservative Estimates** – Revenues will be estimated realistically and prudently. Revenues of a volatile nature will be estimated conservatively. Conservative revenue estimates based on prior year collections may be used for revenue projections.





2. Issues

The following considerations and issues will guide the City in its revenue policies concerning specific sources of funds:

- a. Non-Recurring Revenues – One-time or non-recurring revenues shall not be used to finance current, on-going operations. Non-recurring revenues should be used only for non-recurring expenditures and will not be used for budget-balancing purposes.
- b. User-Based Fees and Service Charges – For services associated with a user fee or charge, the direct and indirect costs of that service shall be offset by a fee where possible. There will be an annual review of fees and charges to ensure that the fees provide adequate coverage of cost. The City Council shall set schedules of fees and charges.
- c. Intergovernmental Revenues (Federal/State/Local) – These revenue sources will be expended only for the intended purpose of the grant or aid. It must be clearly understood that operational requirements set up as a result of a grant or aid could be discontinued once the term and conditions of the project have terminated.
- d. Revenue Monitoring – Revenues received shall be compared to budgeted revenues. Significant variances will be investigated by the Finance Director.

**PLANNING**

All departments will be given an opportunity to participate in the budget process and submit funding requests to the Finance Director for approval by the City Manager.

**REPORTING**

Periodic financial reports will be prepared and distributed to the City Manager and Department heads. These reports allow Department heads to manage their budgets and enable the City Manager to monitor



and control the budget. Summary financial and budgetary reports shall be presented by the City Clerk to the Mayor and City Council monthly, as well as being posted on the City's website for public access.

**CONTROL AND ACCOUNTABILITY**

Each Department head is responsible for ensuring that his/her department expenditures do not exceed budgeted funds. Departments cannot exceed appropriations described in the budget. Failure to achieve budgetary control will be evaluated and investigated by the City Manager.

**BUDGET TRANSFERS**

Contingent upon remaining within the confines of the total department budget, each Department head has the authority to recommend budget transfers to the City Manager. Funds within departmental budget line items can be transferred upon the recommendation of the Department head and with approval of the City Manager.

