

# Financial Stability Policy

## 1. Policy Objective

1. To set forth the City's policy regarding the Financial Stability of the City.
2. To establish key elements for the financial stability of the City by setting policy, controls, and guidelines.

## 2. Policy Details

1. Long Term Financial Planning
  - a. Finance department will be responsible for developing annually a 10 year Comprehensive Financial Plan (CFP) with at least the first 5 years of the 10 year plan balanced by using all available unassigned fund balance dollars adhering to the [Fund and Fund Balance policy](#).
    - i. Finance department will be responsible for developing and maintaining the procedures associated with developing the annual CFP.
    - ii. Finance department will be responsible for facilitating the annual CFP process.
  - b. Finance department will be responsible for developing the annual revenues and expenditures necessary for the annual CFP development.
  - c. Finance department will be responsible for developing revenue and expense projections for at least 10 fiscal years from the most current fiscal year to be approved by the Mayor.
2. Use of One-Time Resources
  - a. City will never use one-time Revenue resources to pay for on-going expenditures.
3. Use of Discretionary Revenues
  - a. City will allocate 1% of all property taxes collected to the [Public Safety Fund](#) annually during the annual budget development process.
  - b. City will allocate up to .5% of all property taxes collected to the [Capital Improvement Fund](#) annually during the annual budget development process.
4. Fund Balance
  - a. See [Fund Balance Policy](#)

## 3. Policy Roles and Responsibilities

1. Finance department will be responsible for developing all financial plans for the City.
  - a. Finance department will be responsible for developing annually a 10 year Comprehensive Financial Plan (CFP).
  - b. Finance department will be responsible for distributing all financial plans to the Mayor, Department Directors, and City Council annually.
2. Departments are responsible for delivering all requested information to the Finance department relating to the annual development of the CFP.
3. Mayor is responsible for approving the annual CFP.

## 4. General Purpose Statement

The City of Meridian (City) has an important responsibility to its citizens to carefully account for public funds, manage municipal finances wisely and transparently, manage growth, plan for adequate funding necessary for future maintenance, and development within the City.

The financial management policies of the City are designed to establish guidelines for the fiscal stability of the City. The scope of the financial management policies of the City generally spans, among other issues, accounting, auditing, financial reporting, internal controls, operating and capital budgeting, revenue management, cash and investment management, expenditure control, asset management, procurement, and debt management, in order to:

- a. demonstrate to the citizens of Meridian, the investment community, and community partners that the City is committed to a strong fiscal operation;
- b. provide precedents for future policy-makers and financial managers on common financial

- goals and strategies;
- c. present fairly, transparently, and with full disclosure the financial position and results of the financial operations of the City in conformity to Generally Accepted Accounting Principles (GAAP); and
  - d. determine and demonstrate compliance with finance-related legal and contractual issues in accordance with provisions of the State of Idaho Government Code and other pertinent legal documents and mandates.

## 5. Policy Approval

Approval Date - 12/20/2019

Ordinance Number - 19-1866

Governance Body : Finance Department - Chief Financial Officer/City Treasurer