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POLICIES FOR THE BUDGET AND AUDIT

In the year Two Thousand Ten.....

Resolved by the City Council of the City of Burlington, as follows:

That WHEREAS, in accordance with Section 155 of the City Charter, it is the responsibility of the Board of Finance to act as the Board of Audit; and

WHEREAS, as the Board of Audit, all members of the Board of Finance should be kept fully apprised of the audit process, the findings and are entitled to review the audit before it is approved; and

WHEREAS, in accordance with Section 157 of the City Charter, "the mayor shall, with the assistance of the other members of the Board of Finance, annually prepare an estimate of the necessary appropriations to cover the expenses of each department and branch of the city government for the next fiscal year, to be known as the "budget;" and

WHEREAS, the responsibility of preparing the budget is a task with significant ramifications and must be taken as such; and

WHEREAS, it is crucial that the members of the Board of Finance and City Council have sufficient time in order to understand, question and review the budget as well as request additional information if necessary; and

WHEREAS, going forward, it is important to the City Council that we all fully understand the nuances and variances in the budget so as to be fully informed when voting on the budget; and

WHEREAS, this City Council recognizes the importance of a financial process that is open and transparent;

37 POLICIES FOR THE BUDGET AND AUDIT

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39 NOW, THEREFORE, BE IT RESOLVED that in the spirit of full disclosure and cooperation,
40 this City Council requests that beginning with the budget process for the Fiscal Year beginning July 1,
41 2010, the budget process will be as follows:

- 42 1. There will be a schedule of budget presentations at the Board of Finance so any City Councilor
- 43 will know the schedule in advance and can attend if he or she so chooses, and;
- 44 2. Prior to the presentation of a department budget, the department head (or a representative) will
- 45 need to provide a letter detailing how they will be addressing any and all deficiencies in the
- 46 Management Letter from the Audit for the fiscal year that is two fiscal years prior, in other
- 47 words, for the FY11 budget, a letter detailing the remedies for any deficiencies in the FY09
- 48 Management Letter; and

49 BE IT FURTHER RESOLVED that given the importance of the budget, no final figures for the
50 previous year or any other year will be modified on the next year’s budget. It is inappropriate to
51 change figures, whether they be expenditures or revenues, rather, such changes can be made as
52 “unaudited” if necessary or a revenue “forecast” can be updated; and

53 BE IT FURTHER BE RESOLVED that any variances of more than 10% or \$5,000 (whichever
54 is greater) on the budget over the prior year’s budget must be fully and properly footnoted so City
55 Councilors can follow the history and understand more completely the budget, and;

56 BE IT FURTHER BE RESOLVED that all city departments and enterprise funds will present
57 budgets fully itemized by categories that are appropriate; and

58 BE IT FURTHER BE RESOLVED that every possible effort will be made to ensure that no
59 budget presentations will be done in Executive Session.