

BUDGET POLICY STATEMENT

This is a concurrent capital and operating budget. This budget is balanced with current revenue and expenditures. Revenue left over from one year will be treated as current revenue and can be used to balance the next year's budget. Because it is easy to understand, measure and explain, cash available at the end of the year will be the indicator of budgetary balance. The City shall have three enterprise (fee-for-service) funds: sewer, water and cemetery. The water and sewer funds are expected to balance for a number of years. The cemetery will accrue funds for perpetual care and have a long term goal of becoming self-sufficient. The water and sewer funds share cost of city operations in lieu of taxes that would be available if the services were provided by a private firm and as a return on capital investment.

AUTHORITY

Ordinance 2945 dated September 1997 established a budget officer as provided in Illinois Compiled Statutes (ILS) section 8-2-9.2 through 8-2-9-10 requires the budget officer to compile a budget to contain estimates of revenues available to the city for the fiscal year, together with recommended expenditures for the city and all its departments, commissions, and boards. Passage of the annual budget by the corporate authorities shall be in lieu of passage of appropriation ordinance. The annual budget shall be adopted by the corporate authorities before the beginning of the fiscal year to which it applies. The tentative budget was made conveniently available to public inspection for at least ten days prior to passage. The corporate authority held a public hearing on the tentative annual budget, after which hearing the tentative budget was further revised without inspection, notice or hearing. The hearing was April 19th and the notice was published in the April 5, 2004 issue of the *O'Fallon Progress*. The budget officer can delegate authority to heads of departments, boards, or commissions to move funds within the budget-subject to prior approval. It will require a two thirds vote of the council to revise the annual budget by adding, deleting or moving money between funds. No revisions will be made increasing the budget unless funds are available or made available to cover the increase.